19. The figure above is essentially a reproduction of Figure 3.1 in the text. Which of the following is not true?

a. The total net benefit of preserving 4 miles is the area LMNK.
b. The area OSNK indicates the total cost of protecting 4 miles.
c. The marginal willingness to pay for the 3rd mile is approximately $4.
d. The socially efficient level of preservation is approximately 5 miles.
e. The marginal cost to protect the 4th mile is more than for the 1st mile.

20. Select the statement below that is correct.

a. The with and without principle refers to the idea that benefit cost analysis of a project must ignore benefits and costs that would have occurred if the project were not implemented.
b. Accounting stance refers to the acceptable protocols for calculating benefits and costs.
c. A situation is Pareto Optimal if everyone can be made better off by moving away from this situation.
d. An allocation of resources is efficient any time the total net benefits or total economic surplus is minimized at that allocation.
e. Cost-effectiveness analysis is broader than benefit-cost analysis; it considers both the cost of a project and the effect that the project has on the environment.
21. John would be willing to pay $8 for one fishing trip, $14 for a total two trips and $17 for a total of three trips. His marginal cost, what he has to pay for each trip is $5. If John seeks to maximize his surplus, how many trips would he choose to take?
   a. 1
   b. 2
   c. 3
   d. More than 3 trips, but we can’t tell exactly how many.
   e. The question cannot be answered with the information provided.

22. Choose the phrase that best completes the statement.
   The opportunity cost of an action ____
   a. is applicable only to choices involving material goods like commodities.
   b. is never more than the monetary cost of an economic decision.
   c. is the value of the next best forgone alternative.
   d. is the environmental cost of production.
   e. is a special kind of cost that is only used in environmental economics.

23. Complete this sentence.
   When calculating the economic benefits of a project, jobs that are created ____
   a. should be valued at the market wage.
   b. should be counted only if there is a relatively high rate of unemployment.
   c. should be the first and most important thing counted to determine the project’s value.
   d. should only be counted if they are good paying jobs with safe working conditions.
   e. should never be counted; it is the direct environmental benefits that matter.

24. The first and second equimarginal principles are important concepts. Which of the following statements below is definitely not true about them?
   a. The first equimarginal principle states that an optimal outcome occurs where the marginal benefit equals the marginal cost.
   b. The first equimarginal principle is satisfied when the social net benefits are maximized.
   c. The second equimarginal condition refers to what must be true when a policy is using the least-cost means of achieving an environmental target.
   d. It is impossible to satisfy both the first and second equimarginal principle simultaneously.
   e. An example of a violation of the second equimarginal condition would be a case in which one business has to clean up a lot of pollution and its marginal cost is high, while some other business doesn’t have to do anything but it would cost it little to reduce its pollution.