31. Which of the following is a the best conclusion of the following sentence? An allocation of surface water between multiple users is socially efficient if …
   a. the marginal net benefit is maximized.
   b. the marginal cost of extraction is minimized.
   c. the quantity of water is sufficient to meet everyone’s needs given year-to-year variability.
   d. the marginal net benefit to all users is equal.
   e. leakage from the system has been eliminated.

32. What percent of all water on Earth is fresh and available for human consumption?
   a. More than 10%
   b. Between 6 and 10%
   c. Between 3 and 6%
   d. Between 1 and 3%
   e. Less than 1%

33. The text presents four structures for pricing water. Which one is the most efficient in cities where summer use is much greater than during other times?
   a. Declining block rate structure
   b. Uniform rate structure
   c. Inverted block rate structure
   d. Flat fee with no additional cost
   e. Seasonal rate structure

34. Which of the following statements is not true
   a. Traditionally, riparian rights did not make provisions for water transfers.
   b. “Beneficial use” or “preferential use” provisions tend to promote economic efficiency since governments can ensure that the highest value users get the water.
   c. The prior appropriation doctrine developed in response to the needs of mining camps that did not have access to a river or stream.
   d. Instream non-consumptive uses of water are typically not given rights under prior appropriation rights systems.
   e. none of the above statements are false.
35. The figure above represents the revenue of a farmer as a function of how much water the farmer uses. Which of the following statements is true?

a. No matter what the price that the farmer must pay for the water, he or she will use 400 units of water.
b. If the price per unit of water is $1, the farmer will use 500 units of water.
c. If the price that the farmer must pay for each unit of water increases, the amount of water that he or she will use will decline.
d. If the price per unit of water is $5, the farmer will use approximately 200 units of water.
e. None of the statements is true.

36. The figure above is adopted from Figure 9.3 in the textbook. Which of the following is a correct statement about an efficient allocation when $S_T^1$ represents the total amount available to users A and B?

a. At the efficient allocation, A would use about 0.5 units and B would use 2.5.
b. At the efficient allocation, the MNB to A would be $0.75 and the MNB to B would be $2.
c. At the efficient allocation, both A and B would use 3 units.
d. At the efficient allocation, the marginal scarcity rent would be $0.75 to A and $2 to B.
e. None of the above statements is correct.