

# Answers

	Market Outcome	Efficient Outcome	Tax = \$12	Subsidy = \$12	36 Permits by Auction	18 Permits Each Free
Q <sub>1</sub>	15	12	0	12	0	12
Q <sub>2</sub>	30	24	24	24	24	24
Profit 1	150	132	0	168	0	132 + X
Profit 2	400	364	76	436	76	364 - X
E <sub>1</sub> + E <sub>2</sub>	45	36	24	36	24	36
Damage	540	432	288	432	288	432

6 Px

6 Px