**Econ 136: Working with Economic Data**

**Describing and Externality Market Failure Paper**

**Due before you retire Monday night, March 31** (or by 3am Tuesday).

The goal is to explain how a particular example of harm to the environment can be traced to the fact that the transaction between buyer and seller imposes costs on parties not part of the transaction.

If an example doesn’t immediately come to mind you might do a search of news articles (e.g., Google, Access World News, LexisNexis) on pollution in general or linked to specific companies. You’ll need to do just enough research to provide background information on the market, including appropriate APA citations.

Again, your audience consists of students who have completed Econ 105 (hence, are familiar with the basic terminology of economics, but not necessarily the market example you have chosen). The primary emphasis should be on getting the analysis right (which will be centered on a properly labeled diagram that indicates the deadweight loss to society resulting from the gap between MSC and MPC), but you should also provide a clear explanation of how the sale of the focus product results in environmental harm.

As always, it is important for you to consider how to engage your reader in the topic (making them want to read on beyond the first paragraph) and to avoid irritating them with typos or passages that are difficult to parse. You’ll need to do just enough research to provide background information on the market, including appropriate APA citations.

**Assessment:** I’ll use the rubric on the next page to evaluate your paper.

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|  | Exemplary  5 | High Quality  4 | Adequate  3 | Needs Improvement  2 |
| Audience | Establishes direct rapport with target audience | Easy to infer the target audience | Content appropriate to reader background | Assumes to little or too much econ  background |
| Structure | Effectively conveys the determinants of market price | Market conditions noted in order of importance | Content addresses the assignment | Paragraphs lack coherence and internal logic |
| Diagram | Flawless illustration of the appropriate market equilibrium | No more than one or two missing or flawed elements | Correctly  captures essence of the market | Incorrect illustration of described market equilibrium |
| Integration of Diagram | Seamless integration of text and graph | Text supported by graph rather than describing it | Graph and text are mutually consistent | Poor placement or graph inconsistent with text |
| Citations | Appropriately cited a particularly apposite source | Flawless reference list and citation placement | No more than one or two errors | Fails to follow conventions or cite appropriately |
| Attention to Presentation |  | No more than 1-2 places that tripped up a reader | Caught obvious flaws | No evidence of a final read through |