**ECONOMY Research Essay**

**Assessment 2 (35% Marks) (2500 Word Limit)**

**Instructions**

* Use Subheadings
* All key concepts define clearly
* Definitions – Assumptions – Diagram – Analysis (DABA)
* Economic Models, diagram must be clear and labelled free hand made, include table if required.
* Real life data
* Use intext referencing
* Provide references to all information and arguments
* List of references
* Structure your response in logical manner

1. Explain the market failure associated with negative externality. Chose an oligopoly industry from your home country that creates negative externality. (6 Marks)
2. Using real data from your case study identify its key characteristics in relation to the factors used to differentiate among the market structures. Contrast oligopoly and other market structures regarding the allocation of resources. (6 Marks)
3. How does govt address the negative externality in your case study? Explain using economic theory and illustrate it on a diagram. Suggest an alternative way in which the market failure associated with negative externality can be addressed in your case study. Use real data and explain your economic theory and diagram. (10 Marks)
4. Explain the effect of pandemic on chosen industry. (10 Marks)