Université Paris 1 Panthéon-Sorbonne
M2 APE - Environmental Economics

SURNAME :   **Name :**

Test 2 - 12 December 2024
No documents allowed.

Complete and use the figure below to compare polluter's incentives to cheat about its marginal abatement cost when the regulator announces a Pigouvian tax, a command-and-control or an abatement subsidy policy, respectively.

Give the explanations needed to understand the reasoning.