

Name: _____

A CLEAN AIR FABLE FIRST HEARD BY AN OLD WELL

Edmund was a wise old man. And he was asthmatic. Thus, he has a tendency to wheeze. He decided he was breathing too much dirty air, and that he should put a new air cleaning system into his house. He talked to doctors, engineers, air system specialists, and sought opinions of anyone with an interest. He learned that the cleaner the air the more expensive the equipment he must install. And he did some heavy thinking about what it would mean to him to wheeze less. He learned the degree of comfort he would experience at different levels of clean air. He decided to place values on different amounts of clean air according to these comfort levels. The cost and benefit data are

<u>Percentage Of Clean Air</u>	<u>Total Benefits</u>	<u>MB</u>	<u>Total Costs</u>	<u>MC</u>
0%	0	___	0	___
10%	50	___	45	___
20%	130	___	50	___
30%	205	___	58	___
40%	269	___	68	___
50%	319	___	81	___
60%	351	___	96	___
70%	371	___	116	___
80%	386	___	150	___
90%	398	___	200	___
100%	406	___	280	___

Now Edmund displays his wisdom. He consults an economics student—you. He states: “I want to cut down on my wheezing. For this I “need” cleaner air. But how much? Here are the costs and the values I place on the benefits of less wheezing. What percentage of clean air should I am for? _____% (fill in the blank)