

Course: Law and Economics

Question 1

What is Pareto efficiency? What are its main limits as a normative standard? (1.5 pages)

Question 2 ✓

A piece of legislation requires prices to be 'fair'. Construct an economic argument to support the claim that the seller violated this rule in the following situation: the seller made an exorbitant profit but sold all the available units of the product. (1 page) !