

3 Economics, Law and Ethics (ah793)

(a) Define the following terms, providing examples to illustrate their meaning.

(i) Pareto improvement [2 marks]

(ii) Pareto efficient allocation [2 marks]

(iii) Utility [2 marks]

(b) Explain the theorems of welfare economics, comparing and contrasting classical utilitarian welfare and Rawlsian welfare.

[8 marks]

(c) Do you expect the free market will solve the privacy problem?

[6 marks]