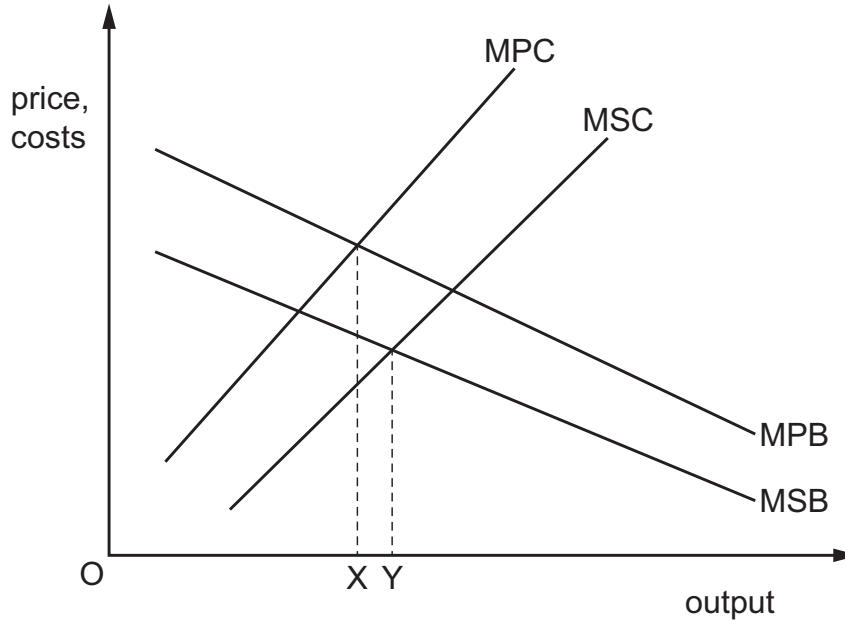


4 The diagram shows positive and negative externalities of production and consumption.



Which row shows the correct combination of production and consumption externality when economic welfare is maximised?

	position of economic welfare	production externality	consumption externality
<b>A</b>	X	negative	negative
<b>B</b>	Y	positive	negative
<b>C</b>	X	negative	positive
<b>D</b>	Y	positive	positive