

Goods (private vs public)

There are 4 types of goods:

		Excludable?	
		Yes	No
Rival?	Yes	Private goods Example: Food	Common goods Example: Fish in the sea
	No	Goods offered by natural monopolies Example: Cable TV	Public goods Example: National defence

'Excludable yes' means that it is easy to stop a person from consuming the good.

'Excludable no' means that it is impossible to stop a person from consuming the good. Problem: Free riding (Why pay?)

'Rival yes' means that if a person consumes a good it is impossible for another person to consume the same unit.

'Rival no' means that the same unit of the good can be consumed simultaneously by two or more persons.