



6.2 Environmental and Ethical Issues

What are sustainable development practices?

Sustainable development practices aims to reduce carbon emission and preserve biodiversity.

Among practices are:-

1. Using renewable energy
2. Recycle
3. Reduce waste
4. Use biodegradable materials

What are external impacts of business activity?

1. Positive externalities
 - a. Profit
 - b. Employment/jobs
 - c. Higher living standards/improve health and education
 - d. Reduced health care cost
2. Negative externalities
 - a. Pollution
 - b. Destruction of natural environment/biodiversity
 - c. Global warming/climate change

Private cost + External cost = Social cost

Private benefits + External benefits = Social benefits

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