You are working as an economic consultant and have been invited to write an essay that answers one of the following four questions. Make sure that you explain your answer in full using both economic theory from the module and the related articles for each question. All of the related articles are available on the Assessment page of the module website. Environmental Economics Drawing on economic theories from the module as well as evidence from the articles referenced below, outline the strengths and limitations of carbon taxes and emission trading schemes as tools aiming to reduce carbon emissions, and the challenges arising in their implementation. The question invites you to use economic analysis to explain the different implications of carbon tax and the trading scheme, and link them to the theories related to externalities. You may wish to consider arguments in favour of and against tackling carbon emissions through carbon tax and trading schemes at a global level as well as from the perspective of individual nation states and consumers. Considering the global aspects of climate change and the potential impact of individual nation policy, theoretical approaches discussed in Chapter 13, in particular in section 3 are likely to be relevant. Of relevance to the topic are the concepts of cost benefit analysis discussed in Chapter 11, social discounting and social cost of carbon discussed in Chapter 12. The articles provide an opportunity to understand how carbon tax, by setting carbon pricing, creates different impacts on different agents in society. It may also be relevant to consider carbon mitigation strategies in your answer and how decisions about their application may relate to differences in economic valuation of the environment. It may also be helpful to review Chapter 9 on welfare economics and social choice, and Chapter 8 provides some background about government provision and market failure. Word limit: 1500 words