

15. Correct. The answer is true. A direct method is the contingent valuation method where surveys are used to determine either willingness to pay to avoid a damage or willingness to accept a payment to suffer the damage. An indirect method is the hedonic pricing method, where econometric studies are used based on the idea that prices of goods, for example a house, are a function of the characteristics of the goods, such as square footage, number of bathrooms, local amenities along with air quality or other pollution factors.