

**27. Correct. The answer is false.** There are four main ways to get to a socially optimal level of pollution. They are to set the pollution standard, to issue marketable pollution permits, to set the tax or charge for the pollution, and to subsidize polluters to clean up. Economists often favor selling "marketable pollution permits" because they ensure that polluters who clean up the most cheaply will do so and will sell their permits to those for whom it is more expensive to clean up.