**Assignment 2**

1. Modify and run voitto.m file with emission tax equal to zero. What happens to firm’s profits and optimal production and why?

2. Modify and run kompstat.m file by doing comparative statics with respect to the environmental technology parameter eps. Note that eps is between zero and 1. Interpret the figures for optimal production and profit.

3. Modify and run opttpa.m file (which uses tuotpuhda.m function) to include comparative statics with respect to parameter of your choice. Interpret results and figures.

4. Modify and run rajo.m (which is attached to two other m-files). How can you do maximisation even if fmincon is a minisation algorithm? Does the emission quantity control restrict firm’s profit? What is the critical emission quantity control that does restrict firm’s profits?