

# Market Failure

**Market failure** is when there is a **less-than-optimum allocation** of resources in a free market, from the point of view of society.

Type of Market Failure	Examples	Explanation	Government Intervention / how to correct this market failure
Public goods			
Positive Externality			
Negative Externality			
Merit goods			
Demerit goods			
Abuse of monopoly power			
Imperfect / asymmetric information			