

1. answer

1. Define the term “public good and give an example.”
(4 marks/4 minutes)

2. answer

2. List any 4 examples of market failure. (2 minutes/2 minutes)

3 Using your knowledge of **elasticity** explain why the use of taxation might have a limited effect on consumption of cigarettes. (3 marks/ 6 minutes)

3. answer

4. answer

4. What do 'common pool resources' and 'sustainable development' have in common? (4 marks/8 minutes)

5. Draw a positive externality of consumption and a negative externality of consumption and notice the differences between the two diagrams.

N.B. When you see the answer to the question below identify how you can improve the labels on both diagrams by adding an additional label.

Positive Externality

Improvements

Negative Externality

6. Answerability focus:

Discuss whether there should always be direct provision of public goods by government. N16/3/ECONO/HP1 (15 Marks).

Task: make a list of bullet points that will be included in your paragraphs in answering this essay. Note: to answer this question you would need to define/explain direct provision and public goods. This question helps you to focus on the need to 'answer' the question.

Answer: YES 'always' direct provision

Answer: NOT 'always' direct provision

7. Draw a diagram to show how an indirect tax can be used to show how a demerit good can be regulated. Diagram must be expertly labeled. Then draw a diagram to show a negative externality of consumption. (2 marks/ 4 minutes)

8. Define the following terms and then make a 3 column table to list some key features including an example of each of the following:

- Private goods
- Public goods
- Merit goods

Term	Key Features	Example
Private goods		
Public goods		
Merit goods		