

Answer one question.

1. (a) Explain two forms of government intervention in markets. [10]

(b) Using real-world examples, discuss the view that governments should intervene if markets fail to provide public goods. [15]

N 2022 SPI

Example  
Exemple  
Ejemplo

27

27

Example  
Exemple  
Ejemplo

3

3

plan: a

specific: indirect

p1) define: taxation (types) and price controls ceiling floor

p2) Explain them using examples + diagrams

p3) talk about why governments may interfere,  
to answer question ~~not~~ ✓

plan: b

non rivalrous  
non excludable

p1: define: gov. int., public goods, markets  
+ diagram if necessary → ~~not~~

p2: disadvantages + advantages - free rider prob.

- explain in what situations it is necessary

p3) stakeholders

- gov, households, firms

p4) long + short run

p5) offer alternate solution and ~~not~~ answer  
question: talk about why markets often fail  
to provide item if not mentioned yet.