

11 What is a characteristic of a public good?

- A** Households cannot accurately value the benefits of a good.
- B** Households cannot be excluded from consuming the good.
- C** The amount of the good available diminishes as households consume it.
- D** Households are rivals in the consumption of the good.

13 What is an example of direct public provision of goods and services?

- A** a charity hospital funded by public donations that offers free treatment to the rural poor
- B** a mobile government library that travels to rural villages offering access to books
- C** a private-sector pharmacy that provides treatment directly to the public
- D** a private school that offers free places to children of low income families

3 Which goods are **least** likely to be allocated by market forces in a mixed economy?

- A** hospitals
- B** railways
- C** street lighting
- D** television programmes

3 What is a statement of the non-rivalrous nature of public goods?

- A** It is not possible to stop a non-payer from using the product.
- B** One person consuming the product does not reduce the amount of it available to others.
- C** People consume too little of the product because they are unaware of its true benefits.
- D** There is an unlimited supply of the product.