A-Level Economics: **w25 12**

**Question 3** (Answer: **B**)

- In a planned economy the state owns the resources and directs what is produced.
- Consumers have little influence, and output targets replace market signals.
- *Profit* as the motive belongs to a market economy, so it is not a planned-economy characteristic.

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**Question 5** (Answer: **B**)

- A public good is non-excludable, which is precisely why the market fails to provide it.
- If technology makes it possible to exclude non-payers, it can be charged for.
- It then becomes a private good – dissatisfaction with a state service changes nothing about the good itself.

A-Level Economics: **Specimen 1**

**Question 2** (Answer: **A**)

- Moving towards a market economy means letting price and profit allocate resources.
- So the state stops running the service and private firms compete to provide it.
- Competitive tendering for routes is a market mechanism; free travel would be a further government intervention.