Name:

8 Which pair of economic institutions can be found in a market economy?

A charities and public sector firms

B multinational companies and commercial banks

C public sector firms and private sector firms

D stock exchanges and government-funded hospitals

IGCSE Economics: **w25 12**

8 How are economic decisions determined in a market economic system?

A by a mixture of market forces and government intervention

B by central planners of production and consumption

C by government regulation of the price mechanism

D by the forces of demand and supply

IGCSE Economics: **s25 11**

9 What would a person believe who wished to encourage the use of the market system?

A people should have equal living standards

B people should have freedom of action

C profit maximisation is wrong

D the government should correct people's bad behaviour

IGCSE Economics: **s25 13**

9 Which combination correctly describes features of a market economic system?

	resource allocation	ownership of land and capital
A	by government	private sector
B	by government	public sector
C	by price mechanism	private sector
D	by price mechanism	public sector

IGCSE Economics: **s25 23**

3 The public sector in Andorra is focusing on developing the healthcare, biotechnology and sports industries. Andorra has the natural advantage of being a mountainous country. Several winter sports firms in Andorra have recently merged. This will affect the level of competition in the winter sports market in Andorra.

(a) Define *public sector*. [2]

(b) Explain **two** types of merger. [4]

(c) Analyse how differences in healthcare can lead to differences in economic development between countries. [6]

(d) Discuss whether or not competitive markets are beneficial for consumers. [8]

IGCSE Economics: **m25 22**

4 Nigeria has a mixed economic system. In January 2023, Nigeria had a high unemployment rate of 33% which created a number of costs. Its high inflation rate of 22% had several effects on the country's firms. In 2022 and the start of 2023, Nigerians increased their demand for foreign currency.

(a) Identify **two** costs of unemployment. [2]

(b) Explain how the key resource allocation decisions are made in a mixed economic system. [4]

(c) Analyse the causes of an increase in the demand for foreign currency. [6]

(d) Discuss whether or not inflation will harm a country's firms. [8]

IGCSE Economics: **w24 11**

8 Why does a government provide certain goods and services in a mixed economic system?

A The government always provides goods more cheaply than private firms.

B The government considers only private costs and private benefits.

C The government provides goods to prevent the development of monopolies.

D The government provides public goods because private firms cannot charge for them.