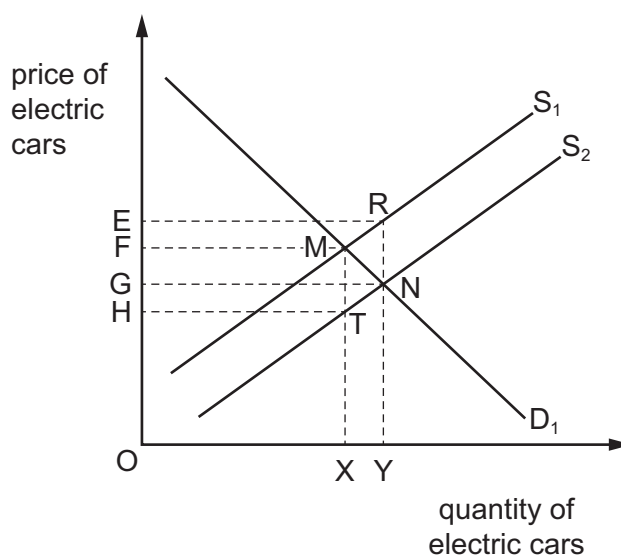


- 15** The provision of rail services is switched from the private sector to the public sector.

What is necessarily correct?

- A** The average fare charged for the service will fall.
  - B** The profitability of the service will fall.
  - C** The rail service's management will be responsible to different owners.
  - D** There will be an increase in the number of workers employed.
- 16** The diagram represents the original demand curve  $D_1$  and the original supply curve  $S_1$  for electric cars. The government decides to provide a subsidy to electric car manufacturers.



Which area represents the total revenue of the car manufacturer after receiving the subsidy from the government?

- A** OERY      **B** OFMX      **C** OGNY      **D** OHTX
- 17** A government decides to build additional public sector housing to be rented to people receiving low incomes.

What is most likely to fall as a result of this increase in public sector housing?

- A** employment in the construction industry
- B** land prices in towns and cities
- C** rents of houses in the private sector
- D** total government spending