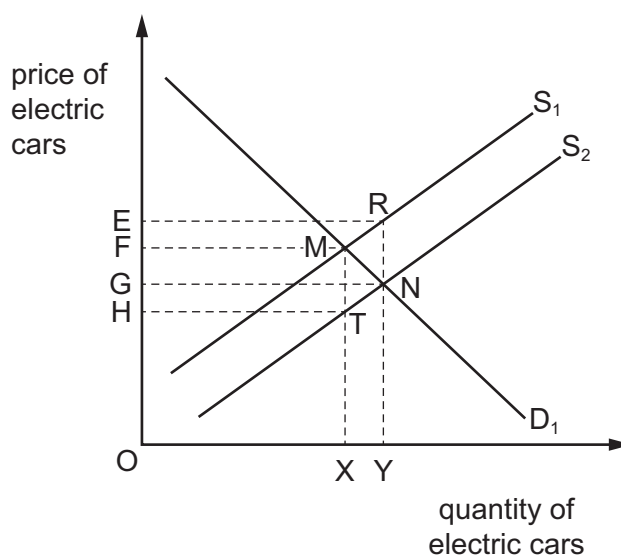


- 15 The provision of rail services is switched from the private sector to the public sector.

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