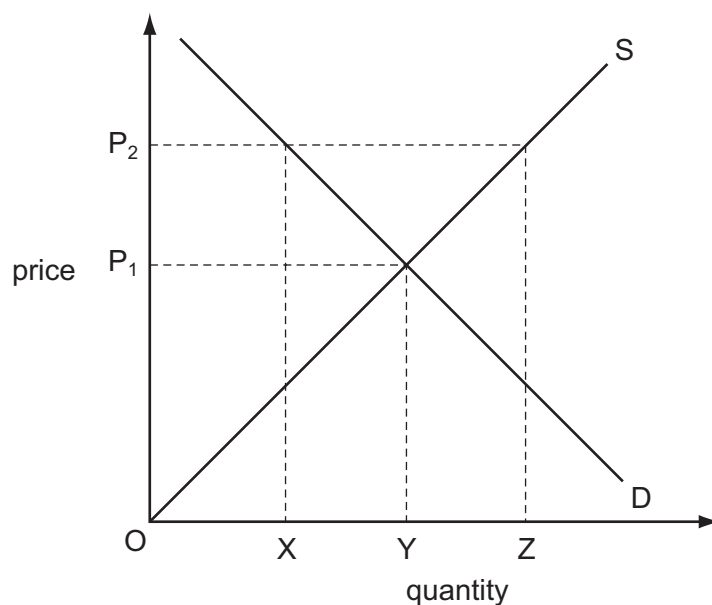


- 15 Despite much opposition, the local government in a popular tourist resort built a leisure centre and swimming pool which is open to everyone. Many tourists visit the centre. Local residents are charged a reduced entry fee.

How would economists classify this service?

- A It is a demerit good because some people objected to the development.
  - B It is a merit good because the entry fee is reduced for local residents.
  - C It is a private good because there is an entry fee for all users.
  - D It is a public good because it is open to everyone and provided by the local government.
- 16 What can be provided only as a public good?
- A road use
  - B security services
  - C street lighting
  - D TV broadcasting

- 17 The diagram shows the market for wheat.



What quantity of wheat must the government buy if it wishes to raise the market price from  $P_1$  to  $P_2$ ?

- A OZ
- B XY
- C XZ
- D YZ