

- 16** Total public spending in the UK, excluding interest payments, is planned to be £679 billion for the fiscal year 2015–2016. The table shows this by category.

	£ billion
pensions	150
healthcare	133
education	90
defence	46
social security welfare payments	110
other spending on goods and services	150

What was the total amount spent on transfer payments?

- A** £110 billion **B** £150 billion **C** £260 billion **D** £393 billion
- 17** Which government policy might limit the rationing function of the price mechanism?
- A** the abolition of tariffs on imported consumer goods
B the levy of indirect taxes at varying rates on different goods
C the payment of subsidies to exporters
D the setting of minimum prices for milk
- 18** Which argument has often been used to justify the privatisation of state enterprises?
- A** Private firms always aim at maximum profits.
B Private firms can produce the same outputs at lower unit costs.
C State enterprises are always monopolies which exploit consumers.
D State enterprises cannot operate without government subsidies.