

13

Market economic system

- 1 Which term describes the way in which an economy is organised and run?

A command economy	C market economic system
B economic system	D mixed economy
- 2 Which is **not** a disadvantage of the market economic system?

A environmental issues	C income inequalities
B incentives to work	D social hardship
- 3 Which economic system relies on the market forces of demand and supply (in the private sector) to allocate resources?

A free market economy	C mixed economy
B market economy	D planned economy
- 4 Which is a disadvantage of operating a free market economic system?

A bureaucracy	C lack of economic freedom
B income and wealth inequalities	D lack of incentives to work
- 5 Which is an example of wasteful competition in a market economic system?

A decisions about how production should take place	C excess packaging
B environmental issues	D social hardship
- 6 With the use of a relevant example, explain how prices are determined in a market economic system. [2 marks]

.....

.....

.....

.....

7 Describe **two** features of a market economic system.

[4 marks]

.....

.....

.....

.....

.....

.....

8 a Explain what is meant by a market economic system.

[2 marks]

.....

.....

b Analyse the costs and benefits of operating a market economic system.

[6 marks]

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

13 MARKET ECONOMIC SYSTEM

9 Explain why there is greater inequality in income and wealth distribution in a market economic system than in a mixed economic system.

[4 marks]

.....

.....

.....

.....

.....

.....

10 Discuss whether most people living in a market economic system (free market economy) benefit from such an economic system.

[8 marks]

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....