

MARKET ECONOMIC SYSTEM

What would **not** be an example of the working of a market system?

- A** a high price charged because of costly research to produce the good
- B** a high price charged for a well-known painting
- C** a low price charged because of economies of scale
- D** a low price charged for subsidised bus travel

D

A product has a price elasticity of supply of +2. A change in price causes the quantity supplied to change from 100 units to 120 units.

What is the price change?

- A** a fall of 10%
- B** a fall of 40%
- C** a rise of 10%
- D** a rise of 40%

C

<p>Which pair of economic institutions can be found in a market economy?</p> <p>A local government and charities</p> <p>B monopolies and commercial banks</p> <p>C nationalised industries and partnerships</p> <p>D stock exchange and public corporations</p>	<p>B</p>
<p>Which pair of economic institutions is most likely found in a market economy?</p> <p>A free accident and emergency hospitals and charities</p> <p>B partnerships and public corporations</p> <p>C stock exchange and monopolies</p> <p>D trade unions and local government schools</p>	<p>C</p>