

# Public Goods

## *Multiple-Choice Questions*

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GCE A-LEVEL ECONOMICS

Which one of the following is the reason why public goods are supplied by the government?

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- B Producers demand a higher price than some members of the public are prepared to pay.
- C Only governments have the technical knowledge required to produce public goods and services.
- D They can only be produced by a monopoly firm to prevent competition from rival suppliers.

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An essential characteristic of a public good is that it is non-excludable. This means that

- A** public goods are of equal benefit to all consumers.
- B** there is no opportunity cost in the provision of public goods.
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One reason why this policy is likely to result in a more efficient allocation of resources is because

- A** incentives to build new roads would be higher.
- B** only higher income drivers would choose to use the roads.
- C** road use would be rationed to drivers who benefit from it the most.
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# A2 Questions

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(Source: <https://www.gov.uk/government/news/30-million-project-set-to-reduce-flood-risk-in-kent>)

(c) The most likely reason for this grant is to ensure the:

- A** exclusivity of Broomhill Sands
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