

Smart Edu Hub / Smart Exam Resources

A Level Economics Topic Questions / Paper 2

Topic: 1.6 Classification of goods and services

Question-1

Explain how economists use the concept of elasticity to distinguish between normal and inferior goods and between substitutes and complements. [8]

Question-2

Using examples, explain the difference between a merit good and a public good. Explain why a profit can be made from the provision of one of these types of good, but not the other. [8]

Question-3

Explain the role of the factor enterprise in allocating resources in a market economy when there is an increase in the demand for a good. Use a diagram to support your answer. [8]

Question-4

Explain how economists use the concept of elasticity to distinguish between substitute goods and complementary goods. [8]

Question-5

Use the concept of income elasticity of demand to explain how a rise in incomes would affect the demand for an inferior good and for a necessary good. [8]