

IB Economics – Government Intervention

Exam Practice Questions: 1.13 Public Goods



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1.13 PUBLIC GOODS: EXAM PRACTICE QUESTIONS

Answer the questions that follow.

1. IB ECONOMICS PAPER 1 EXAMINATION QUESTIONS

- Provide examples and use the two concepts of rivalry and excludability to distinguish between private goods **and** public goods. **[10 marks]**
- Discuss implications that may arise when governments provide merit goods and public goods. **[15 marks]**
- Explain why common access resources pose threats to sustainability in ways that other resources normally purchased by firms may not. **[10 marks]**
- Explain how economic growth driven by fossil fuel use **and** extreme poverty may lead to the unsustainable use of resources. **[15 marks]**
- Consumption and production externalities can threaten sustainability. Evaluate the different policy responses government can use to correct for these externalities. **[10 marks]**
- Explain why effective responses to threats to sustainability may require international cooperation. **[10 marks]**
- Evaluate the following policies used to achieve sustainability" legislation, carbon taxes, cap-and-trade schemes, and funding for clean technology. **[15 marks]**