Worksheet

15 Mixed economic system

Complete the following activity on the mixed economic system.

Activity

For each cause of market failure listed in the table, identify a possible government intervention and briefly explain how the intervention method works. Draw a diagram, if appropriate, to help explain the intervention. Be prepared to discuss your answers with the rest of your class, including the possible advantages and disadvantages of each method.

| Cause of market failure | Possible government intervention  | Explanation |
| --- | --- | --- |
| External costs |  |  |
| External benefits |  |  |
| Public goods |  |  |
| Merit goods |  |  |
| Demerit goods |  |  |
| Monopoly power |  |  |
| Factor immobility |  |  |