1. Describe how scarce resources are allocated in a mixed economy. [3]

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1. Discuss whether education should be funded by the government. [7]

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**Chapter review questions**

1. What is meant by an economic system? [2]

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1. What are the three fundamental economic questions that any economic system seeks to answer? [3]

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1. How are resources allocated in a market economic system? [3]

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1. How are resources allocated in a planned economic system? [3]

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1. What are the merits of the market system? [5]

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