

*Answer all the questions in the spaces provided.*

**1. PERSONAL DEBT IN THE UK REACHES RECORD LEVELS**

If people were to limit their spending mainly to things that they really need and were to spend less on things that they want, there would not be such a problem in the UK of rising personal debt.

With the use of examples, explain the difference between needs and wants. [4]

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

**Total Mark**

**2. MORE POST OFFICE CLOSURES**

The Post Office, which is part of the public sector, recently announced plans to close 2 500 of its branches because it was losing £4m a week. After these closures, the Government is still going to pump a £150m annual subsidy into a network in which only 4 000 of the remaining 12 000 branches will be profitable.

In what ways do the aims and objectives of the public sector differ from those of the private sector? [4]

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

**Total Mark**