Dep Signation, Sabaragamuwa Pro	ovince/ Weekly School Department o	of Education.Sabaragamuwa 1	1	
Province, weekly school De	nt of Education,Sabaragar	muwa/weekly school	artment of Education, aragamuwa Province/	_
Department of Education, Savaragamuwa Pro	ovince/ weekiy acnool Department (	or Education, Saparagamuwa		nent of
Education Sabaragamuwa Province/ Weekly School Department of Education, Sabaragamuwa Province/ Weekly School Week- July 4			amuwa	
Subject-Economics	amuwa Province/ Weekly Sc	chool Department of Education,	oaoaagamawa 110+moo	School
Subject Economics	eekly School Depart	namana di lavi		tment of
Prepared by -			igamuwa	
ent of Education Sabaragamuwa Province/We Zonal Education Office, Rathnapura.				y School
Grade-13 gamuwa Pro	ovince/ Weekly School Depart			tment of
/ Weekly Sch	no ol Department of Education, Sabar <del>agan</del>	miiwariovince/ weekly ochoor	Department of Education,	<del>Java</del> ragamuwa

- 1. Explain how the existence of externalities leads to inefficient allocation of resources in an economy. Illustrate your answer with appropriate diagrams.
- 2. What are public goods? Why cannot market easily provide such goods?
- 3. What are the objectives of taxation?
- 4. Mention the desirable properties of a good tax system?
- 5. List the major components of recurrent expenditure of the government of Sri Lanka.