

3 The public sector in Andorra is focusing on developing the healthcare, biotechnology and sports industries. Andorra has the natural advantage of being a mountainous country. Several winter sports firms in Andorra have recently merged. This will affect the level of competition in the winter sports market in Andorra.

(a) Define *public sector*. [2]

(b) Explain **two** types of merger. [4]

(c) Analyse how differences in healthcare can lead to differences in economic development between countries. [6]

(d) Discuss whether or not competitive markets are beneficial for consumers. [8]