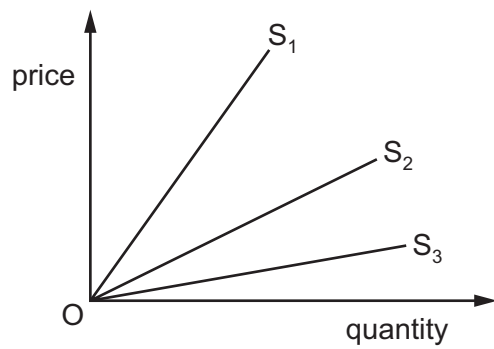


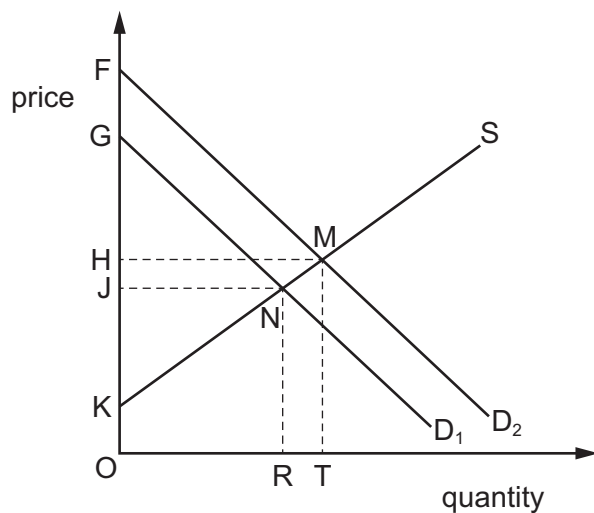
12 The diagram shows three supply curves.



What can be concluded about the price elasticity of supply of the curves?

- A As price rises, the price elasticity of supply of  $S_2$  will increase.
- B At any price, the price elasticity of supply of  $S_1$  will be less than that of  $S_3$ .
- C At any price, the price elasticity of supply of  $S_2$  will be higher than that of  $S_3$ .
- D The price elasticity of supply of each curve is constant.

13 The diagram shows the market for smartphones in India.



Rising incomes in India have seen a demand for this normal good shift from  $D_1$  to  $D_2$ .

Which area now represents consumer surplus and which area now represents producer surplus?

	consumer surplus	producer surplus
A	FMH	HMK
B	FMH	OKMT
C	GNJ	HMNJ
D	GNJ	JNK