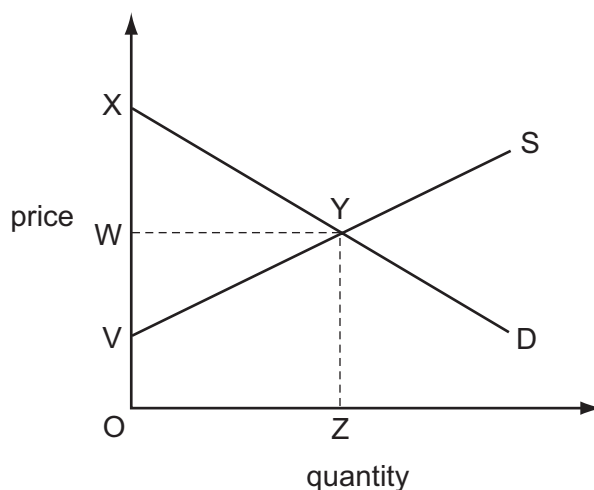


- 12 The diagram shows the demand and supply curves for a product.



Which area measures the total amount consumers would be willing to pay for the equilibrium level of output?

- A** OWYZ      **B** OXYZ      **C** OVYZ      **D** XYV
- 13 In which case is the price system **not** a possible method of allocating resources?
- A** in the distribution of foodstuff among the population  
**B** in the hiring of workers by employers  
**C** in the ownership of land for agricultural use  
**D** in the provision of public goods by the government
- 14 A town council estimated the costs and benefits of operating a bus service in 2010 and 2011. These are shown in the table.

	2010 \$000	2011 \$000
private costs	2000	2200
external costs	500	900
private benefits	1500	2300
external benefits	1000	800

What can be concluded from the table?

- A** Between 2010 and 2011, social costs fell and social benefits rose.  
**B** Between 2010 and 2011, social costs rose and social benefits fell.  
**C** In both years, positive externalities exceeded negative externalities.  
**D** In both years, social costs equalled social benefits.