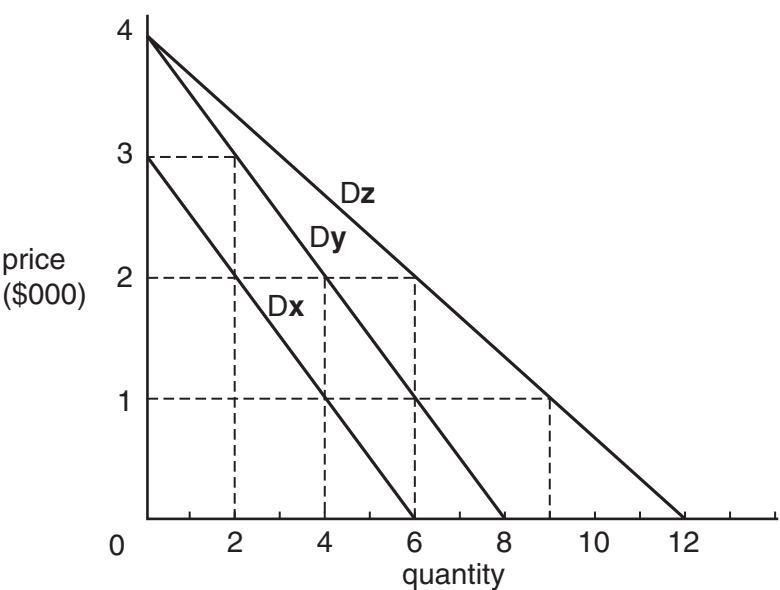


- 10 An eighteenth century Swiss clockmaker made a total of 12 identical carriage clocks. There are currently just three collectors of these clocks, X, Y and Z. The diagram shows their respective demand schedules.



X, Y and Z initially possess 4 clocks each. They come together to trade between themselves.

At the market clearing price (or equilibrium price), which of the following is correct?

	buyer(s)	seller(s)
A	X	Y and Z
B	Y and Z	X
C	X	Z
D	Z	X

- 11 The output of Firm X depends not only on the quantities of factors of production employed by Firm X. It also depends directly on the level of output of Firm Y.

What does this illustrate?

- A complementary goods
- B cross-elasticity of demand
- C an externality
- D joint production