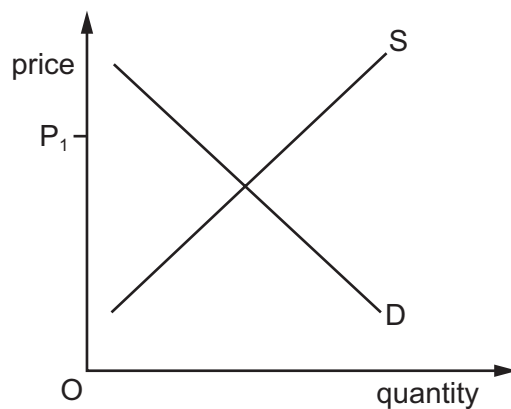
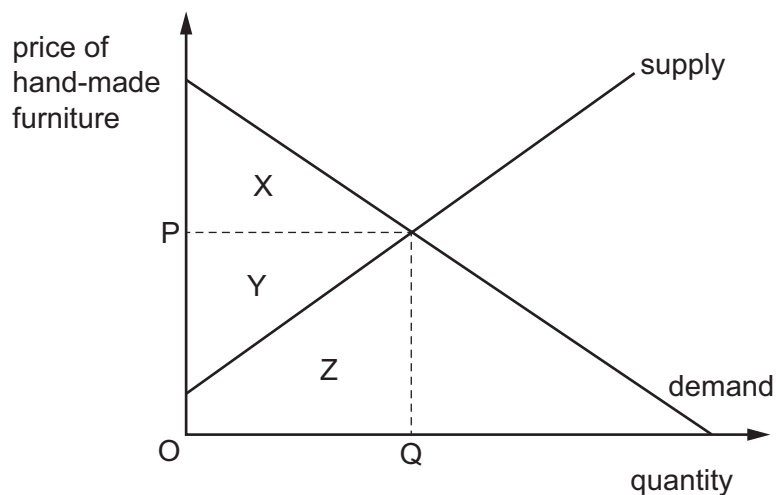


- 6 The diagram shows the demand for, and supply of, carrots.



What is true at price P_1 ?

- A There will be a shortage of carrots.
 - B There will be a surplus of carrots.
 - C There will be an increase in the sale of carrots.
 - D There will be market clearing of carrots.
- 7 The diagram shows the market for hand-made furniture.



Which area of the diagram represents the producer surplus?

- A area X
- B area X + Y
- C area Y
- D area Y + Z