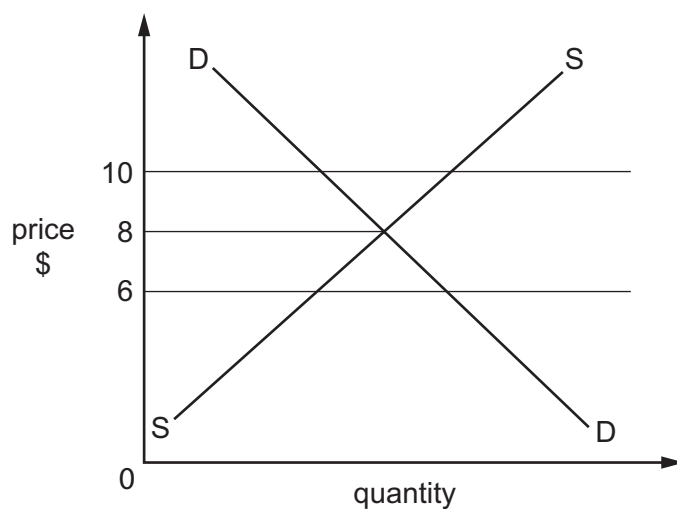


- 18 In moving towards a market economy government price controls were removed. In the diagram below, the government initially set an effective maximum price.



What effect was there on price and quantity when the government removed the maximum price?

	price	quantity
A	falls from \$10 to \$8	removes shortage
B	falls from \$10 to \$8	removes surplus
C	rises from \$6 to \$8	removes shortage
D	rises from \$6 to \$8	removes surplus