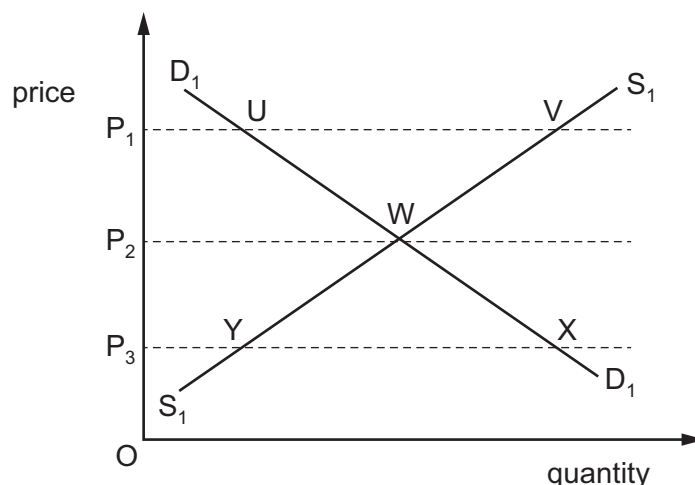
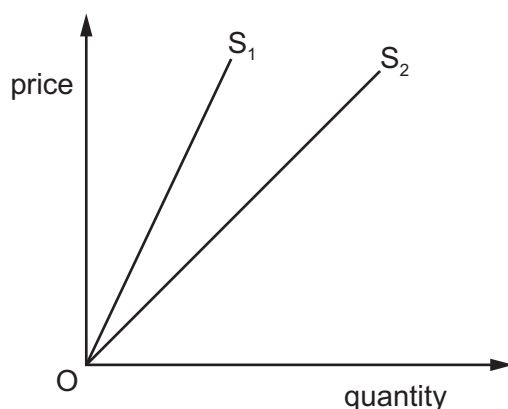


- 8 The diagram shows the market demand for and supply of a good.



Which statement is **not** valid?

- A At price OP_1 , UV represents the market surplus.
 - B At price OP_3 , P_3X represents the quantity that consumers are able and willing to buy.
 - C If price were to fall from OP_1 to OP_3 , the extra quantity demanded would be equal to the extra quantity supplied.
 - D Price OP_2 is the market equilibrium price.
- 9 The diagram shows two linear supply curves labelled S_1 and S_2 , where S_2 is a 45° line.



Which statement about the price elasticity of supply is correct?

- A The price elasticity of supply is different at every point along both S_1 and S_2 .
- B The price elasticity of supply of S_1 is elastic and S_2 is unit elastic.
- C The price elasticity of supply of S_1 is inelastic and S_2 is unit elastic.
- D The price elasticity of supply is unit elastic at every point along both S_1 and S_2 .