

- 12** Consumer X is the largest of five consumers and buys 50% of sales.

The table shows the quantity of the good demanded by consumer X and the market supply of the good.

price \$	demand from consumer X	market supply
4	20	28
6	16	32
8	12	40
10	10	45

What would be the market equilibrium price?

- A** \$4                      **B** \$6                      **C** \$8                      **D** \$10
- 13** The difference between what consumers pay for a product and what they are prepared to pay is known as
- A** a shortage.  
**B** consumer surplus.  
**C** excess demand.  
**D** opportunity cost.
- 14** What types of externalities arise from
- 1 a firm creating an extra supply of trained labour and,  
2 the excessive noise made by a householder cutting his lawn?

	1	2
<b>A</b>	negative production externality	negative consumption externality
<b>B</b>	negative production externality	positive consumption externality
<b>C</b>	positive production externality	negative consumption externality
<b>D</b>	positive production externality	positive consumption externality