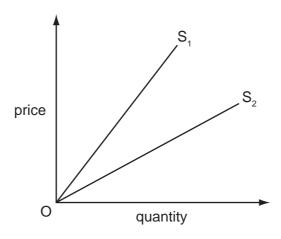
13 In the diagram OS₁ and OS₂ are two straight-line supply curves.



As price increases, the elasticity of supply

- **A** decreases along both OS<sub>1</sub> and OS<sub>2</sub>.
- **B** increases less rapidly along OS<sub>1</sub> than along OS<sub>2</sub>.
- **C** increases more rapidly along OS<sub>1</sub> than along OS<sub>2</sub>.
- ${f D}$  is constant along both  $OS_1$  and  $OS_2$ .
- **14** What is the most likely reason economists will give to explain why large hospital projects are often funded by governments?
  - A Governments usually control the construction industry.
  - **B** Hospitals benefit many people who do not use them.
  - C Hospitals are non-excludable.
  - **D** Hospitals are an essential service.
- **15** How would net external benefit be calculated?
  - A external benefit minus external cost
  - **B** external benefit plus private benefit
  - **C** private benefit plus social benefit
  - D social benefit minus private cost