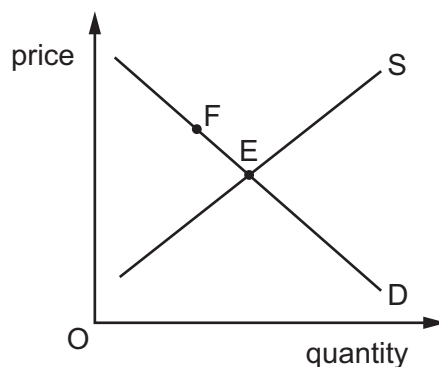


- 15 The diagram shows the equilibrium price and quantity of good X.



The initial market equilibrium is shown by point E.

What might cause the market equilibrium to move to point F?

- A a decrease in the costs of producing good X
 - B a decrease in the demand for good X
 - C an increase in the price of a substitute good
 - D the imposition of a specific sales tax on producers of good X
- 16 The table shows the demand and supply schedules for a product before and after the government pays a subsidy of \$4 per unit to the producers.

price \$	quantity demanded (units)	quantity supplied before subsidy (units)	quantity supplied after subsidy (units)
6	250	50	150
8	200	100	200
10	150	150	250
12	100	200	300
14	50	250	350

Assuming that any extra sales are to new consumers, how much do the original consumers of the product save as a result of the subsidy?

- A \$300 B \$600 C \$900 D \$1500