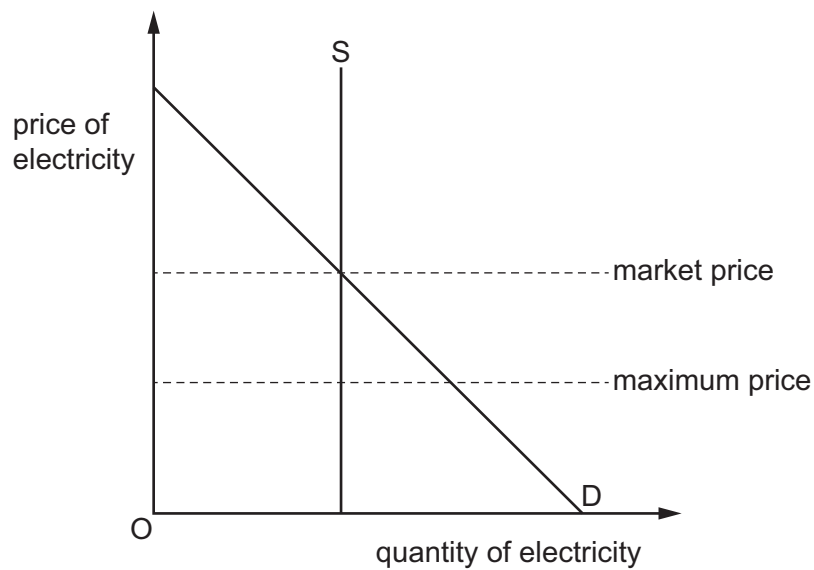


- 17 The diagram shows the market for electricity in a country that has a fixed supply of electricity and introduces a maximum price to make it affordable for poorer households.



What will be the effect of this?

- A It will encourage producers to build more power stations in the future.
  - B It will encourage the development of renewable sources of electricity.
  - C It will increase producer surplus.
  - D It will increase the probability of power cuts.
- 18 What is an example of a transfer payment?
- A government spending on hospitals
  - B government spending on motorways
  - C minimum wage
  - D welfare benefits
- 19 Turkey can produce a good but also imports some of the good from Egypt. The Turkish currency depreciates against the Egyptian currency.

How is this most likely to affect production of this good in Egypt and in Turkey?

	production in Egypt	production in Turkey
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase