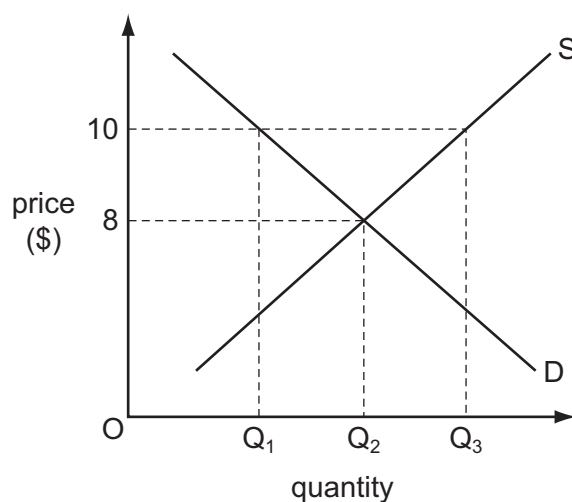


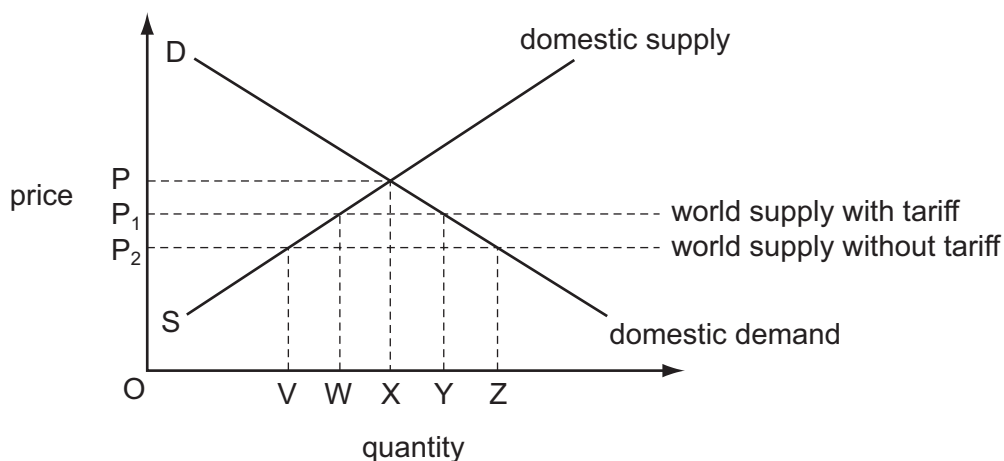
18 The diagram shows the market demand and supply curves for rice.



What would happen if a government imposed a maximum price of \$10?

- A The government would need to supply  $Q_1$  to  $Q_3$ .
- B The quantity sold would be  $Q_1$ .
- C The quantity sold would be  $Q_2$ .
- D The quantity sold would increase from  $Q_2$  to  $Q_3$ .

19 A government removes the tariff on a product as shown in the diagram.



What will be the change in domestic production?

- A a reduction of WV
- B a reduction of XV
- C a reduction of XW
- D a reduction of ZY