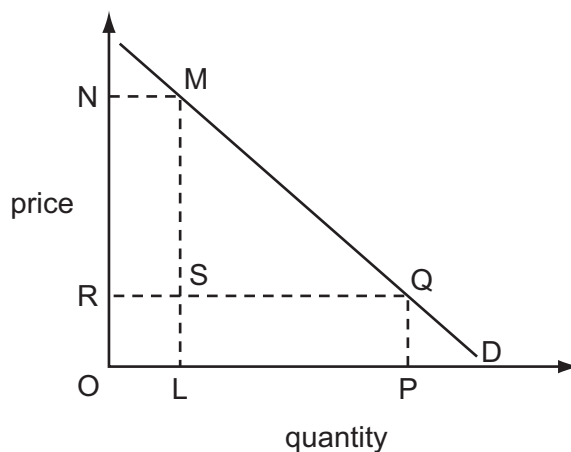


- 6 The diagram shows the demand curve for a product.



If the rectangle OLMN is equal in area to the rectangle OPQR, which statement is correct?

- A Total revenue falls by MSQ if the price rises from OR to ON.
 - B Consumer surplus falls by RSMN if the price rises from OR to ON.
 - C The price elasticity of demand is unitary for all changes in price.
 - D A rise in price from OR to ON results in the same proportionate fall in quantity demanded.
- 7 During a certain period, 10 000 units of a normal good are sold at a price of 20 c. During a later period, 12 000 units are sold at a price of 22 c.

What could explain this change?

- A a reduction in consumers' incomes
- B an increase in the cost of raw materials
- C an increase in the price of a substitute commodity
- D an increase in the productivity of factors of production