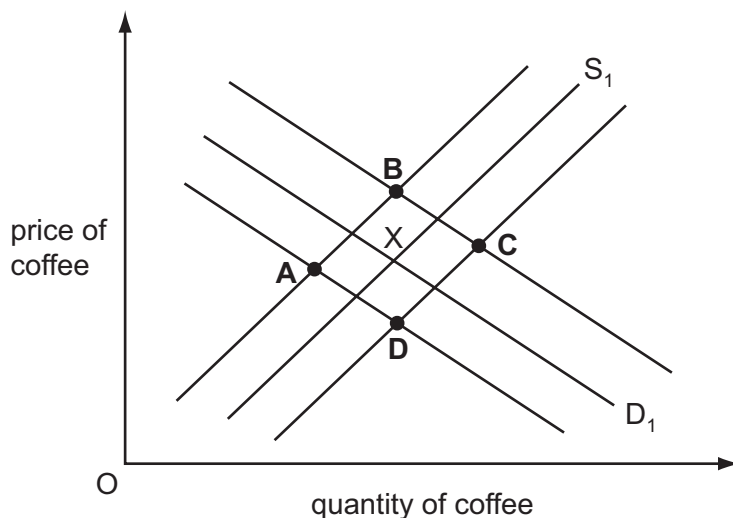
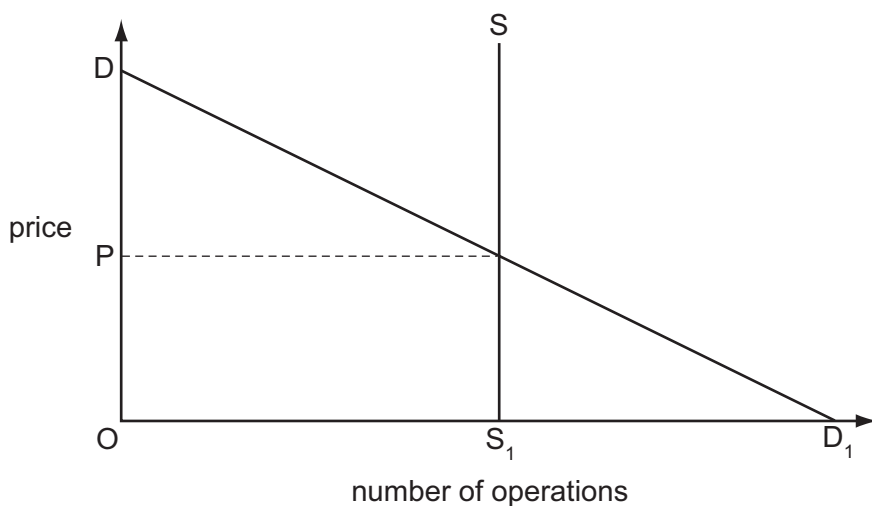


- 10 The diagram shows the market for coffee. The initial equilibrium position is X. The price of tea, a substitute, falls and an indirect tax is imposed on coffee.

What will be the new equilibrium position?



- 11 The diagram shows the demand curve,  $DD_1$ , and the supply curve,  $SS_1$ , for eye operations.



The operations are provided free to the consumer.

Which statement is correct?

- A Consumer surplus from the operations is  $ODD_1$ .
- B The equilibrium price is P.
- C The equilibrium price is indeterminate, because the supply curve is vertical.
- D The equilibrium price is zero.