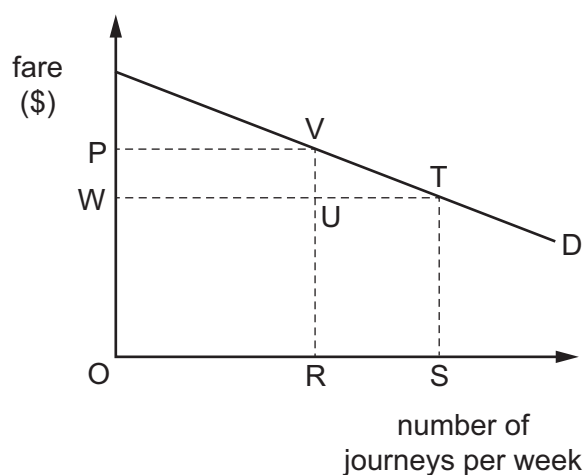


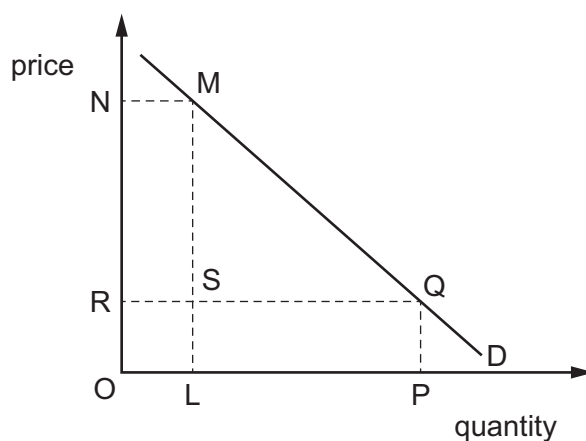
- 6 The number of passenger journeys per week by train on a route is shown by the demand curve in the diagram.



Initially the fare is OP, but it is then reduced by PW.

Which area measures the amount spent on the extra journeys resulting from the lower fare?

- A** VUT **B** PWTU **C** VRST **D** URST
- 7 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** A rise in price from OR to ON results in the same proportionate fall in quantity demanded.
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 Total revenue falls by MSQ if the price rises from OR to ON.