

- 9 The Chinese government relaxed controls on private house ownership. Private house ownership rose sharply, replacing demand for apartments rented from the state.

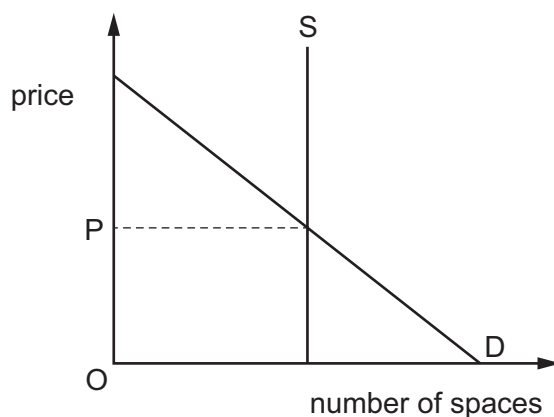
What would have been most likely to happen to private house prices and the rents of apartments?

	private house prices	apartment rents
<b>A</b>	decrease	decrease
<b>B</b>	decrease	increase
<b>C</b>	increase	decrease
<b>D</b>	increase	increase

- 10 What might explain a simultaneous increase in both price and quantity traded in the market for a normal good?

- A** the removal of an effective maximum price on the good
- B** technological progress in the production of the good
- C** the imposition of a tax on the good
- D** the granting of a subsidy to producers of the good

- 11 The diagram shows the demand and supply curves for parking spaces in a hospital car park.



The managers decide to rely on the price mechanism to allocate parking spaces at the hospital.

What is required for this to work?

- A** Alternative means of transport must be provided for those unable to afford price OP.
- B** A survey will be needed to find out the amount users are willing to pay.
- C** The capacity of the car park will need to be expanded.
- D** The price charged for parking spaces must be OP.