

- 10** Consumer X is the largest of five consumers and buys 50% of sales.

The table shows the quantity of the good demanded by consumer X and the market supply of the good.

price \$	demand from consumer X	market supply
4	20	28
6	16	32
8	12	40
10	10	45

What would be the market equilibrium price?

- A** \$4 **B** \$6 **C** \$8 **D** \$10
- 11** What does **not** happen when price acts as a means to allocate resources?
- A** Price determines the supply of public goods.
B Price operates in the markets for both goods and factors of production.
C Price recognises consumers' ability to pay rather than consumers' needs.
D Price signals to producers which goods are most profitable.
- 12** What is meant by consumer surplus?
- A** the amount of money that remains after consumers have made their purchases
B the difference between how much a consumer is willing to pay for a good and the amount paid
C the difference between the amount of a good that's bought by a consumer and the amount consumed
D the difference between the price paid for a good and the cost of producing it