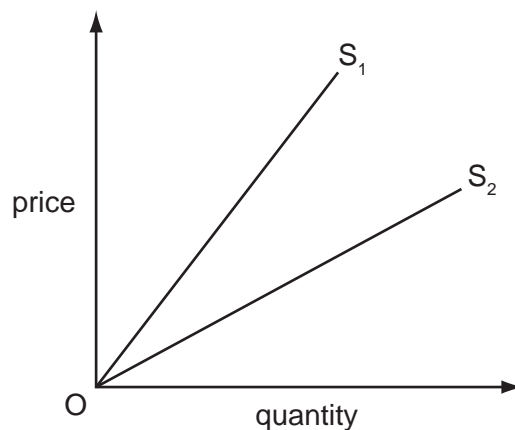


**13** In the diagram  $OS_1$  and  $OS_2$  are two straight-line supply curves.



As price increases, the elasticity of supply

- A** decreases along both  $OS_1$  and  $OS_2$ .
  - B** increases less rapidly along  $OS_1$  than along  $OS_2$ .
  - C** increases more rapidly along  $OS_1$  than along  $OS_2$ .
  - D** is constant along both  $OS_1$  and  $OS_2$ .
- 14** What is the most likely reason economists will give to explain why large hospital projects are often funded by governments?
- A** Governments usually control the construction industry.
  - B** Hospitals benefit many people who do not use them.
  - C** Hospitals are non-excludable.
  - D** Hospitals are an essential service.
- 15** How would net external benefit be calculated?
- A** external benefit minus external cost
  - B** external benefit plus private benefit
  - C** private benefit plus social benefit
  - D** social benefit minus private cost