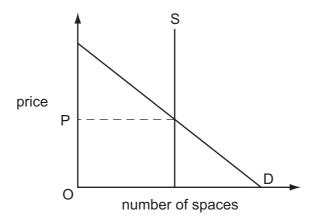
13 The diagram shows the demand and supply curves for parking spaces in a hospital car park.



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

What is required in order 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.
- **14** In which situation are there definitely positive externalities?
  - A Private benefits exceed private costs.
  - **B** Private benefits exceed social benefits.
  - **C** Social benefits exceed private benefits.
  - **D** Social benefits exceed private costs.
- 15 Correct use of cost-benefit analysis should produce an outcome where
  - A social costs are minimised and social benefits are maximised.
  - **B** social benefits are in excess of social costs.
  - **C** marginal private benefits equal marginal social benefits.
  - **D** marginal social benefits equal marginal social costs.