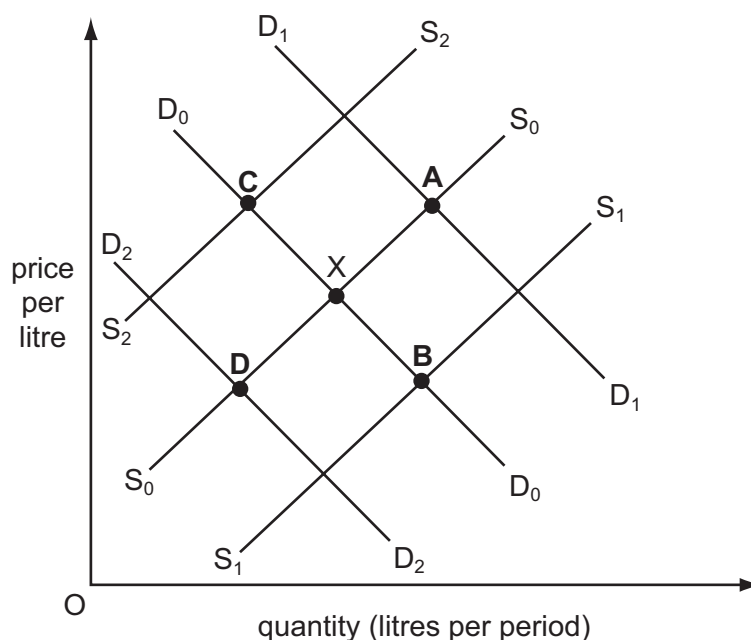


- 12 In the diagram, point X shows the equilibrium price and quantity for a fruit drink.

The government announces that the ingredients used in the drink can be harmful.

Which point, **A**, **B**, **C** or **D**, is most likely to represent the new equilibrium after consumers hear this announcement?



- 13 The table shows observations of a competitive market in equilibrium in two periods.

period	market price	quantity traded
1	50 cents	10 000 units
2	60 cents	12 000 units

What could explain the change from period 1 to period 2?

- A** an increase in the price of a complement
- B** an increase in the price of a substitute
- C** the imposition of an indirect tax on suppliers
- D** the imposition of a minimum price of 60 cents by a government

- 14 Which combination shows examples of the private and external costs of the particular activity?

	activity	private cost	external cost
<b>A</b>	car journeys	traffic police costs	labour mobility
<b>B</b>	foreign holidays	crowded beaches	airport taxes
<b>C</b>	jet flights	night flight disturbance	landing fees
<b>D</b>	pop concerts	admission charges	noise intrusion