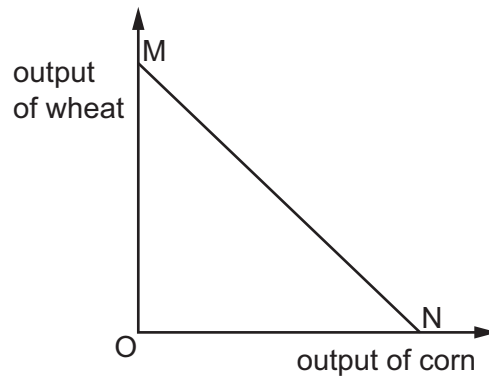


- 4 The diagram shows the production possibility curve for wheat and corn.



What can be deduced from the diagram?

- A As the price of corn falls, more of it is demanded.
 - B Resources used in producing corn are more efficient than in producing wheat.
 - C The opportunity cost of producing corn falls when moving from M to N.
 - D The opportunity cost of producing corn is constant when moving from M to N.
- 5 A supply curve is represented by the equation

$$\text{quantity supplied} = 10 + 5P$$

where P = the price of the product.

Which price rise would cause the quantity supplied to double?

- A \$1 to \$2 B \$1 to \$3 C \$1 to \$4 D \$1 to \$5