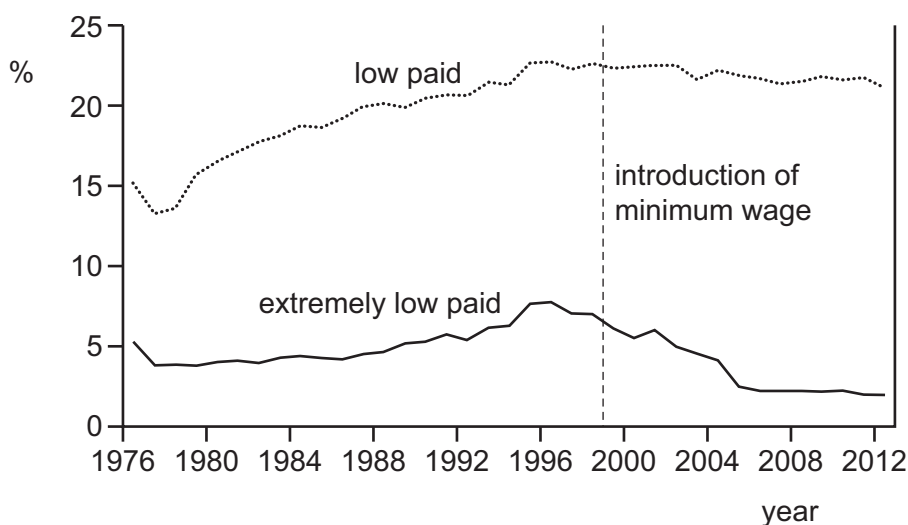


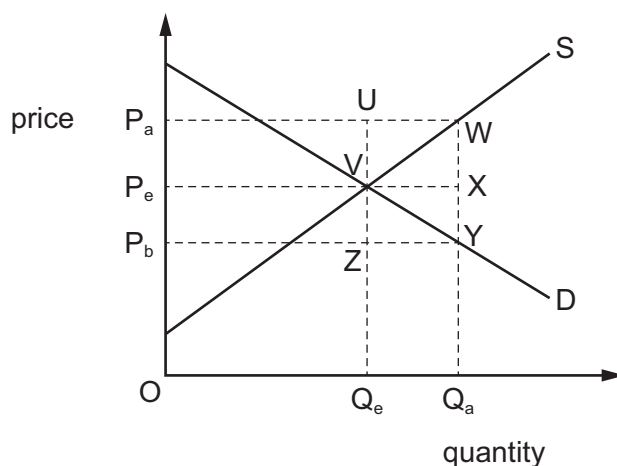
- 15 The diagram shows the percentages of those on low pay and those on extremely low pay in a country from 1976 to 2012. A national minimum wage was introduced in 1999.



Which conclusion is consistent with the diagram?

- A The minimum wage helped the low paid more than the extremely low paid.
  - B The minimum wage reduced the numbers of both low paid and extremely low paid.
  - C The minimum wage reversed the trend in low pay of the previous 20 years.
  - D The minimum wage was responsible for the largest reduction of low pay in the period.
- 16 The government has decided to guarantee manufacturers a price  $OP_a$  for a product and to provide a subsidy to ensure that the market clears.

In the diagram,  $Q_eP_e$  was the original equilibrium before the policy changes.



Which area represents the total cost to the government of this subsidy?

- A  $P_aUZP_b$
- B  $P_aWYP_b$
- C  $P_eXYP_b$
- D  $VWYZ$