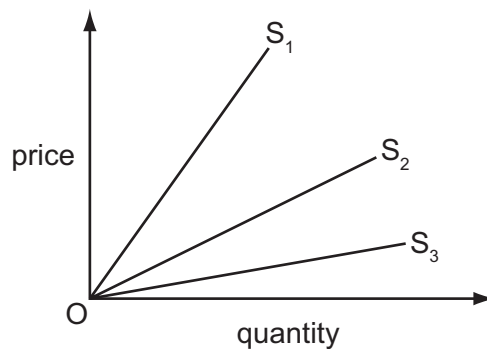
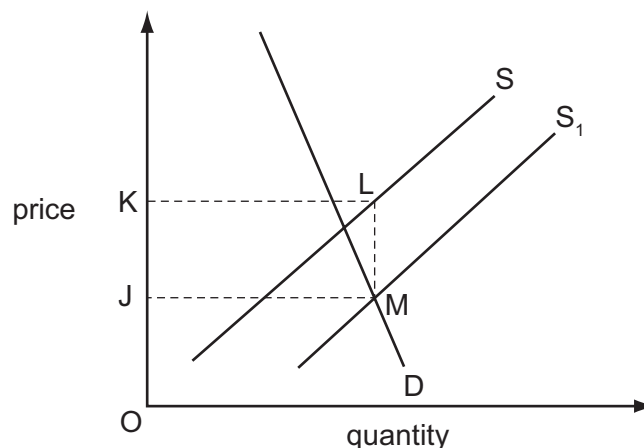


- 9 The diagram shows three supply curves.



What can be concluded about the price elasticity of supply of the curves?

- A As price rises, the price elasticity of supply of  $S_2$  will increase.
  - B At any price, the price elasticity of supply of  $S_1$  will be less than that of  $S_3$ .
  - C At any price, the price elasticity of supply of  $S_2$  will be higher than that of  $S_3$ .
  - D The price elasticity of supply of all three curves will be the same.
- 10 The diagram shows the effect on the market for rice of a change in government policy that causes a shift in the supply curve from  $S$  to  $S_1$ .



What does the area JKLM represent?

- A the additional saving to importers of the removal of a tariff on rice
- B the cost to the government of a subsidy to rice growers
- C the increase in consumer surplus from the introduction of a maximum price for rice
- D the loss in government revenue from the reduction in a lump sum tax on rice