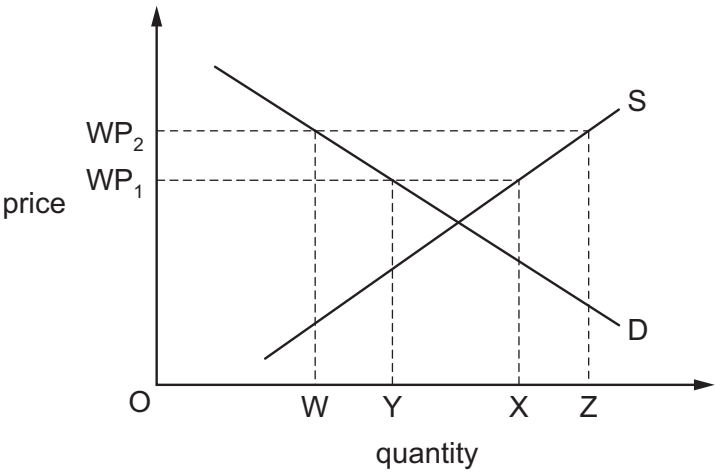


- 11 The diagram shows a country's domestic supply of, and demand for, a commodity that it both consumes and exports.



The world price changes from  $WP_1$  to  $WP_2$ .

What are the resulting changes in domestic consumption and quantity of exports?

	domestic consumption	quantity of exports
<b>A</b>	OX to OZ	OY to OX
<b>B</b>	OX to OZ	OY to OZ
<b>C</b>	OY to OW	YX to OZ
<b>D</b>	OY to OW	YX to WZ

- 12 The diagram shows demand and supply for bread made from wheat and X is the original equilibrium point.

What will the new equilibrium position be following removal of subsidies to the wheat industry and successful advertising about the benefits of a wheat-free diet?

