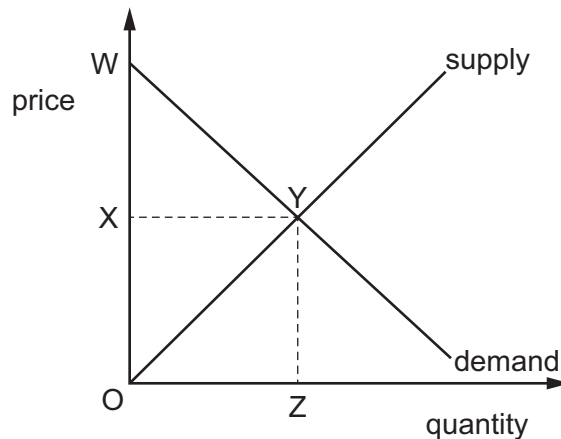


- 4 What is an example of a free good?
- A a government sponsoring a free vaccination programme for its citizens
 - B a hospital providing free treatment to the poor
 - C a school providing free education to outstanding students
 - D anything that provides free utility but is not scarce
- 5 The diagram shows the market for computers in Pakistan.



Which areas represent consumer surplus and consumer expenditure?

	consumer surplus	consumer expenditure
A	WXY	OXY
B	WXY	OXYZ
C	WYO	OXYZ
D	WYO	OYZ

- 6 The supply curve for a firm is a horizontal straight line.
- What can be concluded from this statement?
- A Quantity supplied is infinite at the given price.
 - B Quantity supplied is infinite below the given price.
 - C Quantity supplied remains constant at all prices.
 - D Quantity supplied is perfectly inelastic.