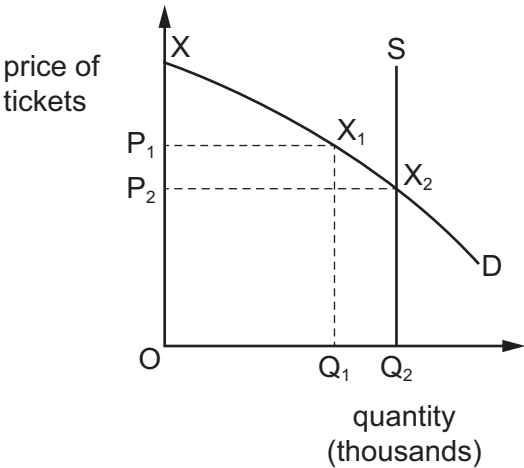


10 The diagram shows the demand for and supply of tickets for a music festival.



If tickets are priced at  $P_1$ , it is anticipated that demand will be  $Q_1$ . There is a discount for those that buy tickets in the first hour, who will pay  $P_2$ . All tickets are sold in the first hour.

Which area on the diagram shows how much consumer surplus was increased by buying the tickets in the first hour?

- A**  $P_2X_2Q_2O$       **B**  $P_1X_1Q_1O$       **C**  $P_1X_1X_2P_2$       **D**  $XX_1Q_1O$

11 The price elasticity of demand for a high-quality smartphone is elastic. The price of the smartphone decreases.

Which combination describes the impact of a fall in the smartphone's price on the quantity demanded and total revenue?

	quantity demanded	total revenue
<b>A</b>	rises by a greater percentage than the price fall	falls
<b>B</b>	rises by a greater percentage than the price fall	rises
<b>C</b>	rises by a smaller percentage than the price fall	falls
<b>D</b>	rises by a smaller percentage than the price fall	rises