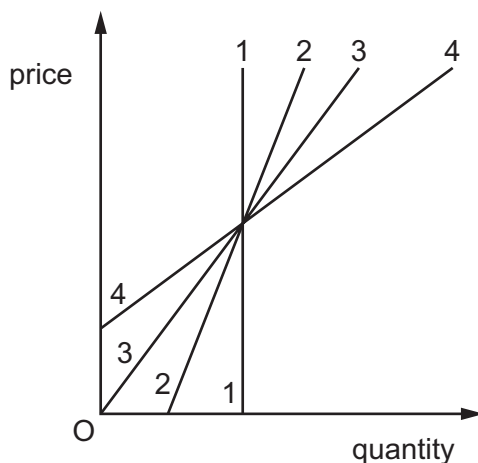
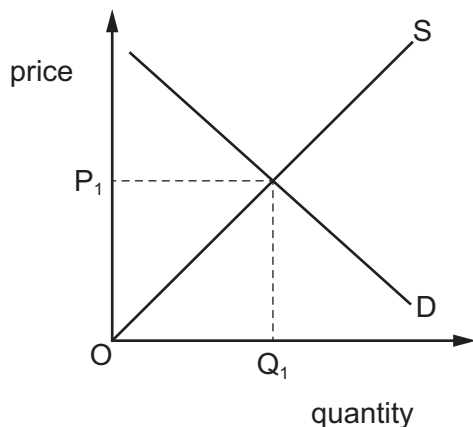


- 9 The diagram shows four supply curves.



Which statement about the price elasticities of the curves is correct?

- A Curve 1 has constant infinite elasticity.
  - B Curve 2 has elasticity greater than curve 4 over its whole length.
  - C Curve 3 has increasing elasticity as price rises.
  - D Curve 4 has decreasing elasticity as price rises.
- 10 The diagram shows the demand and supply curves for a good in a free market.



What can definitely be deduced from the diagram?

- A All the costs and benefits of consumption are reflected in  $OP_1$ .
- B At  $OP_1$  consumer expenditure is greater than the firm's revenue.
- C At  $OP_1$  the price elasticity of supply is equal to one.
- D The market will not clear at a price of  $OP_1$ .