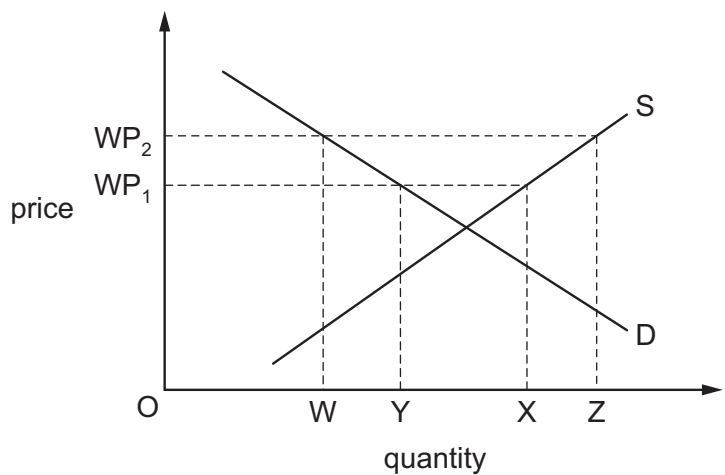


- 11 The diagram shows a country's domestic supply of, and demand for, a commodity that it both consumes and exports.



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
A	OX to OZ	OY to OX
B	OX to OZ	OY to OZ
C	OY to OW	YX to OZ
D	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?

