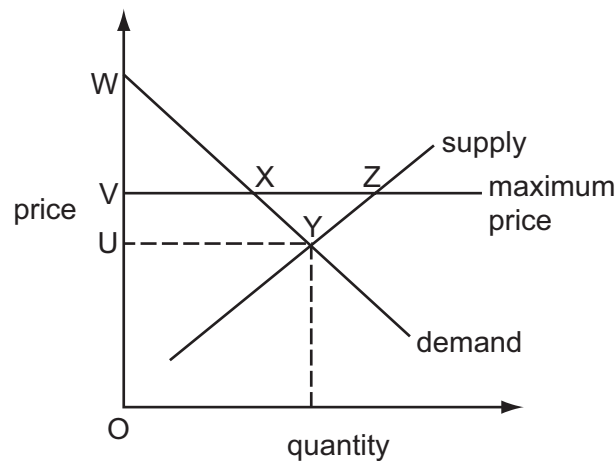


- 13 The diagram represents a market for a good, in which the equilibrium price is OU.



A maximum price of OV is imposed by law.

What effect does this have on consumer surplus?

- A It decreases by area VXYU.
  - B It increases by area WXV.
  - C It increases by area XYZ.
  - D It is not affected.
- 14 What explains why the social cost of developing tourism on a remote island is greater than the private cost?
- A the costs of building extra hotels on the island
  - B the extra costs of providing the tourists with food
  - C the travel costs paid by tourists who visit the island
  - D the harm to the environment caused by the tourists
- 15 What would **not** be included in a cost-benefit analysis of a proposed new university?
- A the costs of building the new university
  - B the extra income earned by the new university's graduates
  - C the future staffing costs of other universities
  - D the future staffing costs of the new university five years into the future