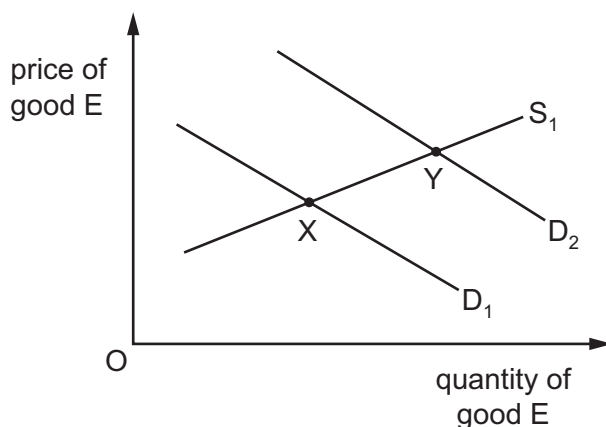


12 The diagram shows the market demand for and supply of good E.

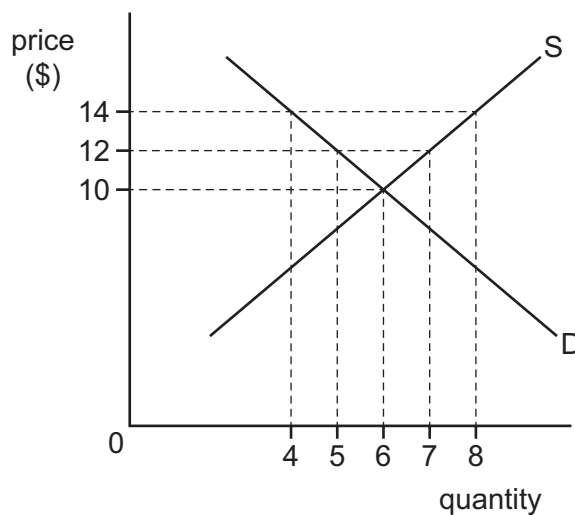


The equilibrium has changed from X to Y.

Which statement is **not** correct?

- A Incomes of consumers may have increased and good E is a normal good.
- B The quantity supplied has risen because price has increased.
- C The quantity supplied has risen because the production of good E has been subsidised.
- D The price of good F, which is a substitute for good E, may have risen.

13 The diagram shows the market for CDs.



A government raises the minimum price of CDs from \$12 to \$14.

What will be the outcome?

- A Excess demand increases by 2 units.
- B Excess demand increases by 4 units.
- C Excess supply decreases by 2 units.
- D Excess supply increases by 2 units.