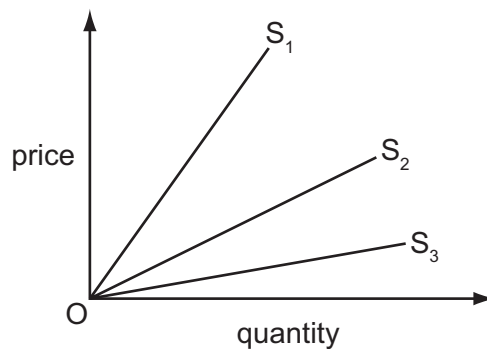
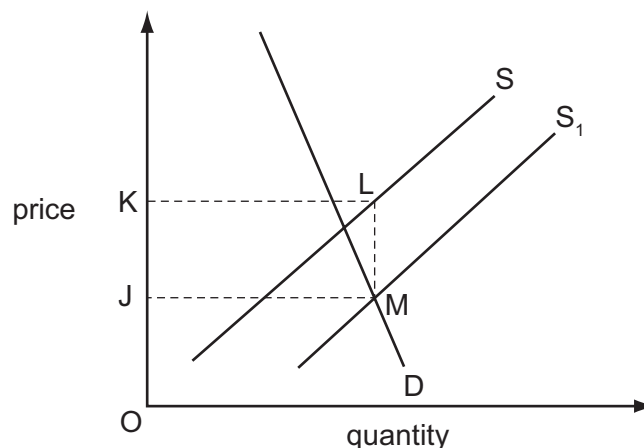


- 9 The diagram shows three supply curves.



What can be concluded about the price elasticity of supply of the curves?

- A As price rises, the price elasticity of supply of S_2 will increase.
 - B At any price, the price elasticity of supply of S_1 will be less than that of S_3 .
 - C At any price, the price elasticity of supply of S_2 will be higher than that of S_3 .
 - D The price elasticity of supply of all three curves will be the same.
- 10 The diagram shows the effect on the market for rice of a change in government policy that causes a shift in the supply curve from S to S_1 .



What does the area JKLM represent?

- A the additional saving to importers of the removal of a tariff on rice
- B the cost to the government of a subsidy to rice growers
- C the increase in consumer surplus from the introduction of a maximum price for rice
- D the loss in government revenue from the reduction in a lump sum tax on rice