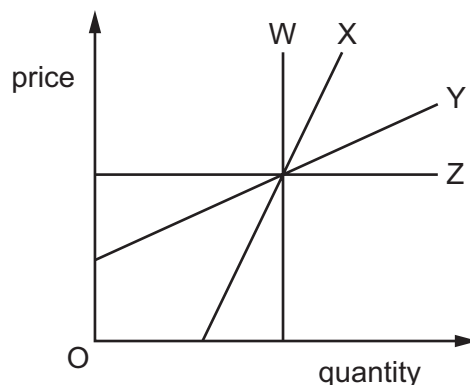


12 The diagram shows four supply curves.



Which statement about the price elasticity of these supply curves is correct?

- A W has elasticity of 0 that will rise as price rises.
- B X has elasticity greater than 1 that will be constant as price rises.
- C Y has elasticity greater than 1 that will fall as price rises.
- D Z has elasticity of 0 that is constant as quantity rises.

13 Product X has a price elasticity of supply (PES) of +2, whilst product Y has a PES of +0.2.

Which statement about products X and Y is correct?

- A X has more substitutes than Y.
- B A 20% price fall would lead to a greater decrease in production of Y than of X.
- C After a price rise, it is more difficult to increase Y's output than X's.
- D After a price fall of 10%, more people would buy X than would buy Y.

14 There are 10 000 tickets available to watch a sports final at a national stadium. The initial market equilibrium ticket price is \$20. The government decides to fix an effective minimum price for the tickets.

Under which conditions will the consumer surplus for the tickets decrease the most as a result of the minimum price?

| | minimum price level \$ | price elasticity of demand for tickets |
|---|------------------------------|--|
| A | 18 | -0.5 |
| B | 18 | -1.5 |
| C | 22 | -0.5 |
| D | 22 | -1.5 |