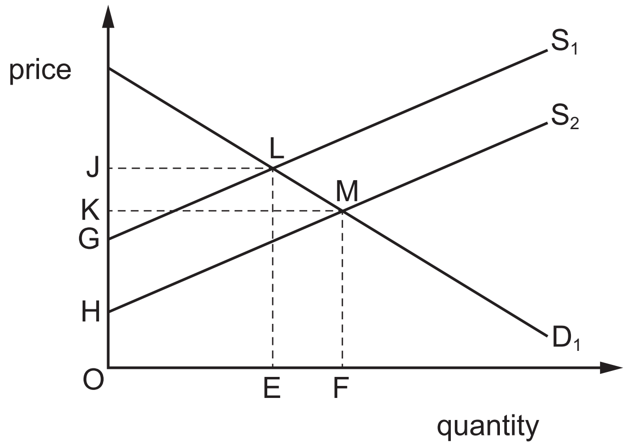
11 The diagram shows the impact of a fall in the price of oil that will lead to a fall in energy costs for many manufacturers.



What will be the impact of this change on consumer and producer surplus?

	consumer surplus	producer surplus
A	falls	falls
B	falls	rises
C	rises	falls
D	rises	rises

12 When is the supply curve for a car manufacturing firm **most** likely to be price elastic?

A when the firm finds it difficult to recruit new labour

B when the firm has a large quantity of stock

C when the firm is operating in the short run

D when the firm is operating near to full capacity