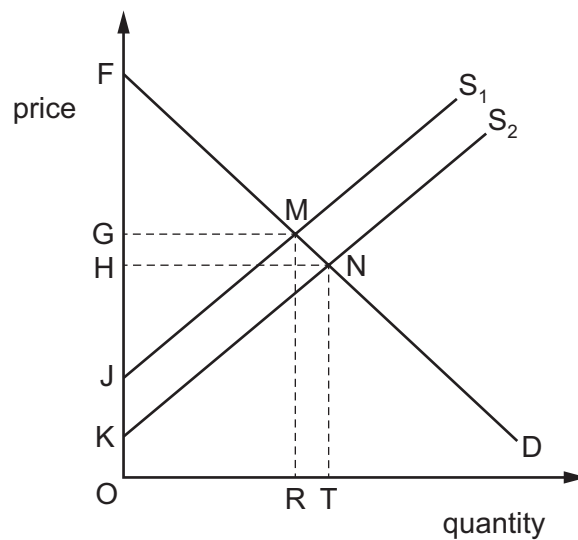


13 The diagram shows the European airline market.



New entrants have come into the market, shifting supply from S_1 to S_2 .

Which area represents the new producer surplus?

- A** GMJ **B** HNF **C** HNK **D** KNT

14 Which benefit is most likely to result from a rise in the minimum price of labour (wage rate)?

- A** a reduction in costs of production
B a reduction in income inequality
C a reduction in the level of unemployment
D a reduction in the rate of inflation