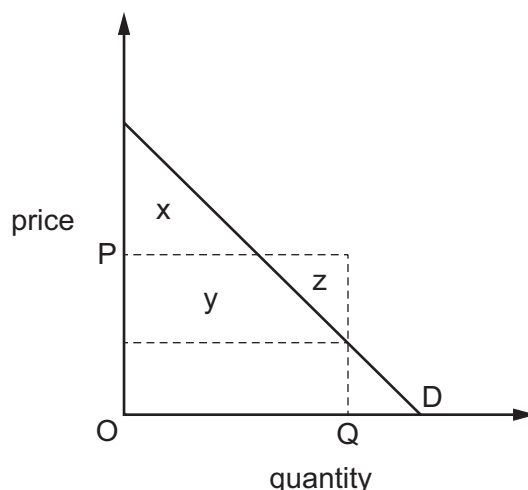


- 13 The diagram shows an individual's demand curve for a commodity.



The supplier of the commodity charges a unit price of OP but consumers are currently required to purchase a minimum quantity, OQ .

Which area(s) in the diagram measure the net gain in consumer surplus from the removal of the minimum purchase requirement?

- A** $x + y$ **B** $x - z$ **C** y only **D** z only
- 14 In 2011, the Health Ministry in a country encouraged parents to have their children vaccinated against measles. The parents did not have to use the vaccine and did not have to pay for it.
- The government cancelled other projects to fund the programme from taxation because research concluded that the vaccine benefited the community by preventing the spread of a serious illness.
- Which concepts are implied in the above statement?
- A** external benefit, public sector, opportunity cost
B market mechanism, fiscal policy, public good
C merit good, normative statement, regulatory control
D private cost, social benefit, monetary policy
- 15 A gardener plants bamboo to create an attractive environment along the roadside. The bamboo grows into the garden of his neighbour, who removes the bamboo with a chemical spray.
- What **cannot** be concluded about the outcome of the planting?
- A** It increases external cost and external benefit.
B It increases private cost and private benefit.
C It increases social cost and social benefit.
D It increases social cost more than social benefit.