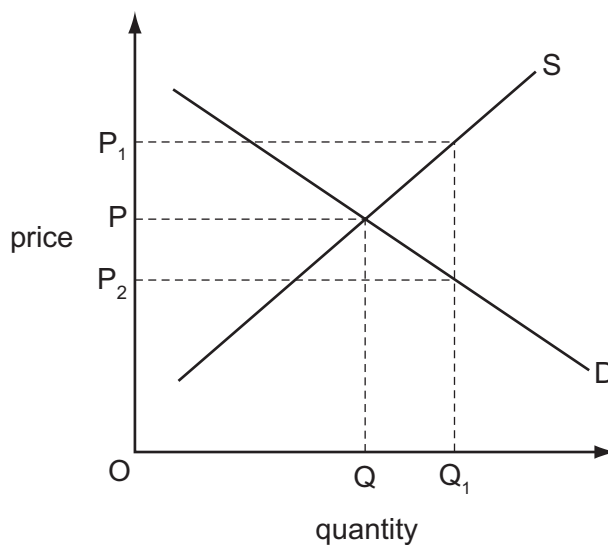


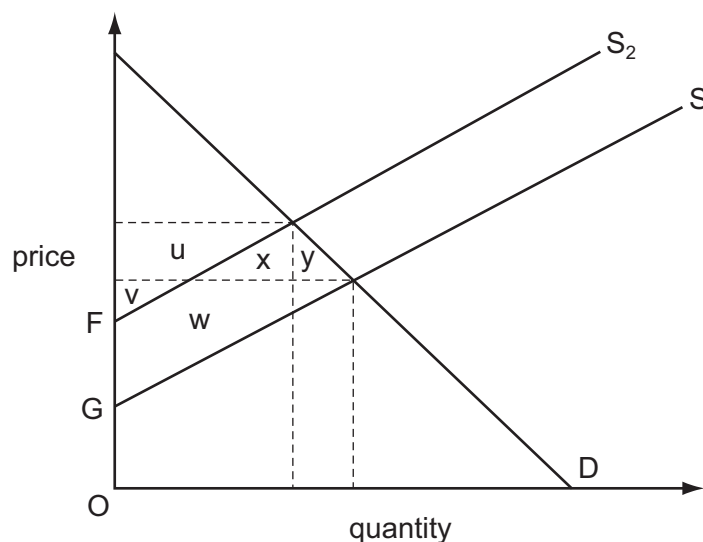
- 10 The diagram shows the equilibrium price (OP) and quantity (OQ) in the market for maize.



The government wants to achieve a target price of OP_1 .

What will be the outcome if the government enters the market and increases the demand by $Q-Q_1$?

- A The original equilibrium price will continue to operate.
 - B The equilibrium price will be at the target price.
 - C The equilibrium price will be OP_2 .
 - D The equilibrium price will be between the target price and the original equilibrium price.
- 11 The diagram shows the effect of the imposition of a tax equal to FG on a commodity.



Which area represents the reduction in consumer surplus?

- A $u + v$
- B $u + x$
- C $u + x + y$
- D $x + w$