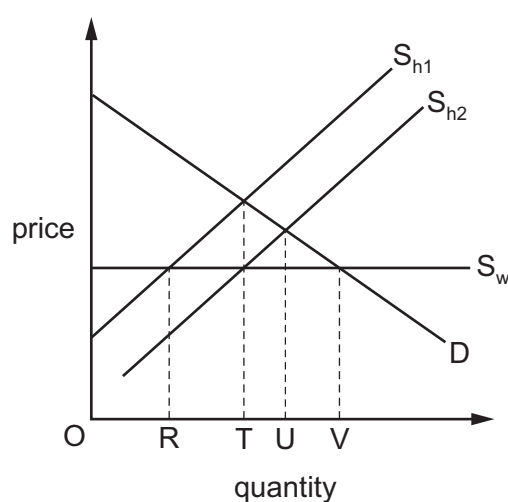


- 11 In the market for a good the quantity supplied (Q_S) and the quantity demanded (Q_D) are given by $Q_S = P - 30$ and $Q_D = 240 - 2P$ where P = price in dollars.

A change in the tax on the good makes $Q_S = P - 36$.

How will the change affect equilibrium price?

- A** It will fall by \$2.
B It will fall by \$6.
C It will rise by \$2.
D It will rise by \$6.
- 12 The diagram shows a market for a good which is supplied partly from domestic production and partly from imports. S_{h1} shows domestic supply and S_w shows world supply. Domestic supply then shifts to S_{h2} .



What will be the level of consumption and the associated volume of imports after the supply shift?

	consumption	volume of imports
A	OU	TU
B	OU	UV
C	OV	TV
D	OV	UV