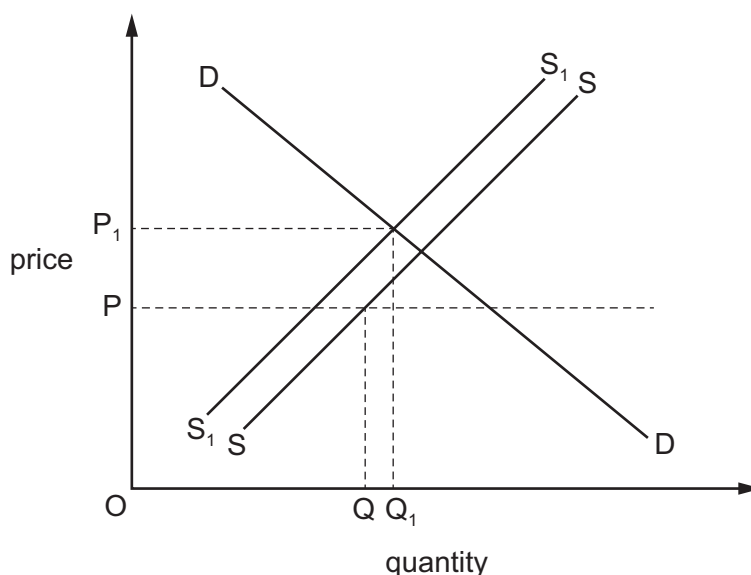


- 17 The table shows the results of a cost-benefit analysis into the building of a new runway at an airport.

	costs US\$m	benefits US\$m
private	100	125
external	25	20

Which statement about the new runway is correct?

- A The net external benefit is US\$5 million.
  - B The net private benefit is US\$25 million.
  - C The net social benefit is US\$105 million.
  - D The net social benefit is US\$145 million.
- 18 In the diagram, the initial quantity traded was  $Q$  and the price was  $P$ .



The price then rose to  $P_1$  and the quantity traded rose to  $Q_1$ .

Which combination of government policy measures could explain this change?

- A the removal of a maximum price and the imposition of an income tax on consumers
- B the removal of a maximum price and the removal of a subsidy to producers
- C the removal of a minimum price and the granting of a subsidy to producers
- D the removal of a minimum price and the imposition of an indirect tax on the product