12 A government gives a subsidy to a producer of a product.

What will be the likely effect of this?

A a shift to the left in the demand curve and a rise in equilibrium quantity

B a shift to the left in the supply curve and a rise in equilibrium quantity

C a shift to the right in the demand curve and a fall in equilibrium price

D a shift to the right in the supply curve and a fall in equilibrium price

A-Level Economics: **s25 11**

6 What is **not** a function of the price mechanism?

A to act as a signal to firms when allocating resources

B to maximise consumer surplus

C to provide an incentive to firms to produce goods

D to ration scarce resources

A-Level Economics: **Specimen 1**

10 The demand for a good falls at the same time as its costs of production decrease.

What will be the combined effect of these changes on the price and on the quantity supplied of the good?

	price	quantity supplied
A	decrease	decrease
B	decrease	uncertain
C	uncertain	decrease
D	uncertain	uncertain