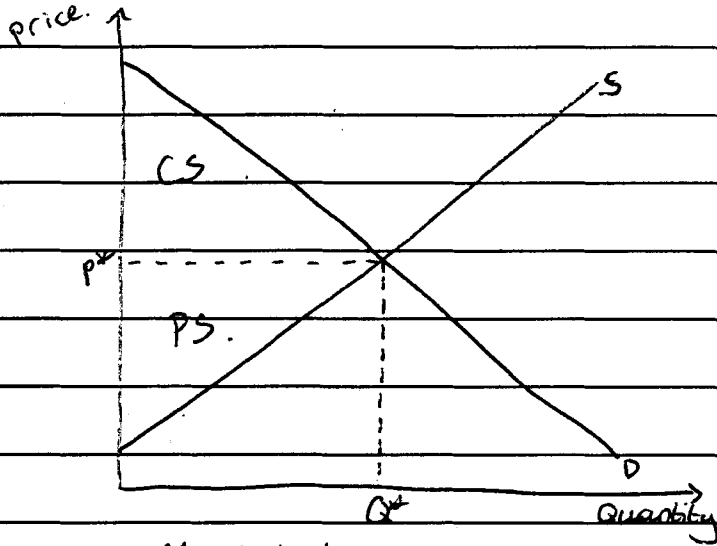


2.

Write in the box the number of the question you are answering on this page as it is designated in the examination.

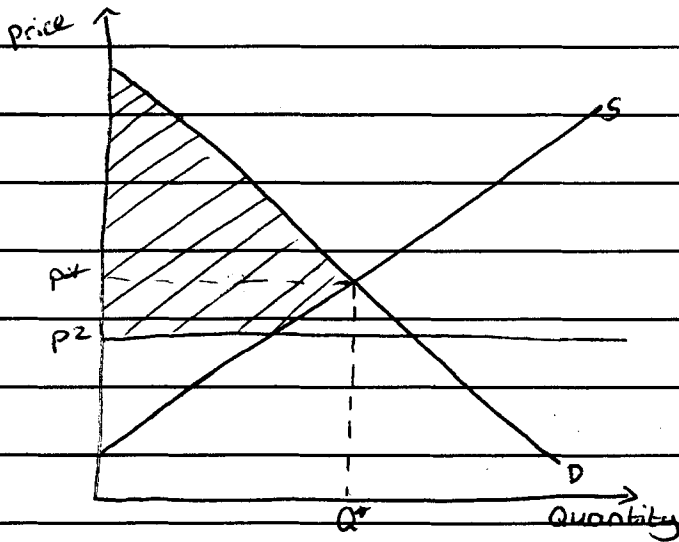
2B₁

2a)



Market for home security systems.

b)

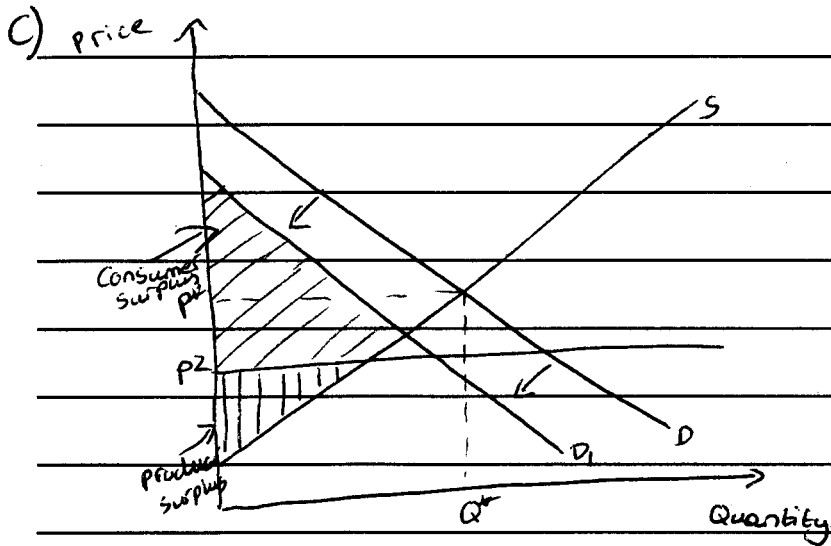


Market for home security systems

Write in the box the number of the question you are answering on this page as it is designated in the examination.

2

2B₂



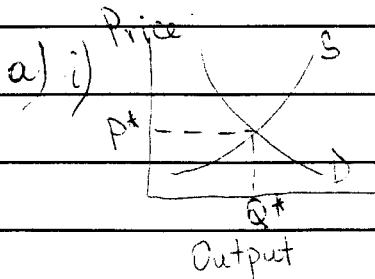
market for home security systems.

The consumer surplus will increase and the producer surplus will decrease.

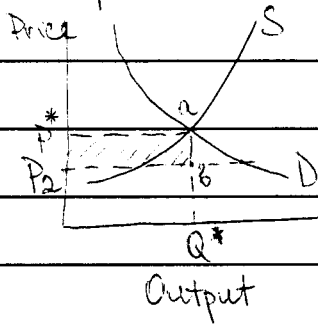
Write in the box the number of the question you are answering on this page as it is designated in the examination.

2

20



b) If the government an effective price ceiling, the price of the product will be below the equilibrium price.



Producer surplus area: P^*abP_2

c) (i) ~~Prosa~~ If demand for the product decreases, consumer surplus will increase as consumers will ~~have~~ be able to ~~the~~ save money for themselves or purchase alternative goods.

(ii) Producer surplus will decrease as fewer individuals ~~&~~ purchase its products.

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2006 SCORING COMMENTARY (Form B)

Question 2

Sample: 2A

Score: 7

The student received full credit.

Sample: 2B

Score: 4

The student answers part (a) correctly to earn 3 points and shows a price ceiling below the equilibrium for a fourth point. The last 3 points were not earned.

Sample: 2C

Score: 2

This student earned 1 point in part (a) for the graph with equilibrium price and quantity, and 1 point in part (b) for showing a price ceiling below the equilibrium.