



AP[®] Microeconomics 2003 Sample Student Responses Form B

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Question 2.

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

(a) (i) Equilibrium Price = P_1

Equilibrium Quantity = Q_3

(ii) Consumer surplus = H

(iii) Producer surplus = $I + L + T$

(b) $Q_5 - Q_1$

this is because domestic demand (Q_5) is

higher than domestic supply (Q_1) the

shortage must be eliminated by ~~exports~~ imports

(c) ~~(i) Domestic production = Q_1~~

~~(ii) Domestic consumption = Q_5~~

~~(iii) consumer surplus = $H + I + J + K$~~

~~(iv) Producer surplus = $L + T$~~

(i) Domestic production

before tariff = Q_1

after tariff = Q_2 (increase $Q_2 - Q_1$)

(ii) Domestic consumption = Q_4

before tariff = Q_5 (decrease $Q_5 - Q_4$)

(iii) consumer surplus = $H + I + J + K$

before tariff = $H + I + J + K + L + M + N + R + S$

decrease $L + M + N + R + S$

(iv) Producer surplus = $L + T$

before tariff = T

Increase L

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

(a) (i) equilibrium price at P_1 and equilibrium quantity at Q_1

(ii) consumer surplus is H

(iii) producer surplus is $I+L+T$.

(b) $J+K+M+N+R+S$

(c) (i) increase from T to $T+L$

(ii) ~~increase~~ ^{Decrease} from $H+I+J+K+L+T+M+N+R+S$ to

$H+I+J+K+N+R+L$.

(iii) ~~increase~~ ^{Decrease} from $H+I+J+K+L+M+N+R+S$ to $H+I+J+K+N+R$

~~increase~~
Decrease from

(iv) increase from T to $T+L$.