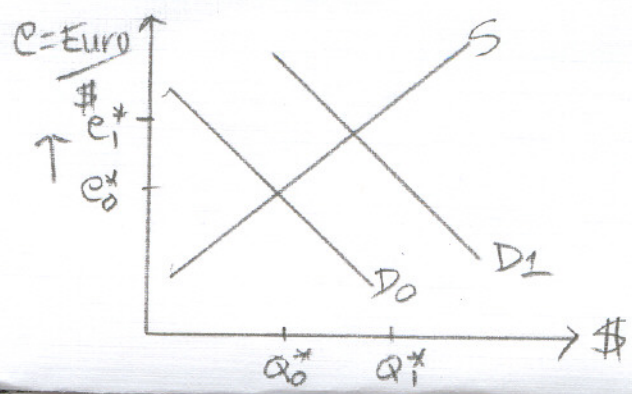


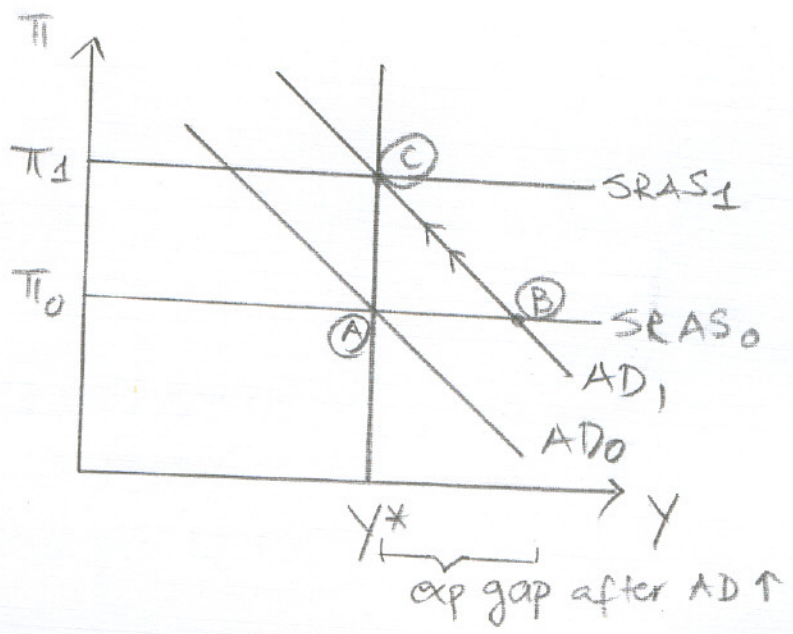
... (2 points) ... Graph of the foreign exchange market for dollars, show the effect of this change in r on the Euro/dollar exchange rate. Explain.



Question 1

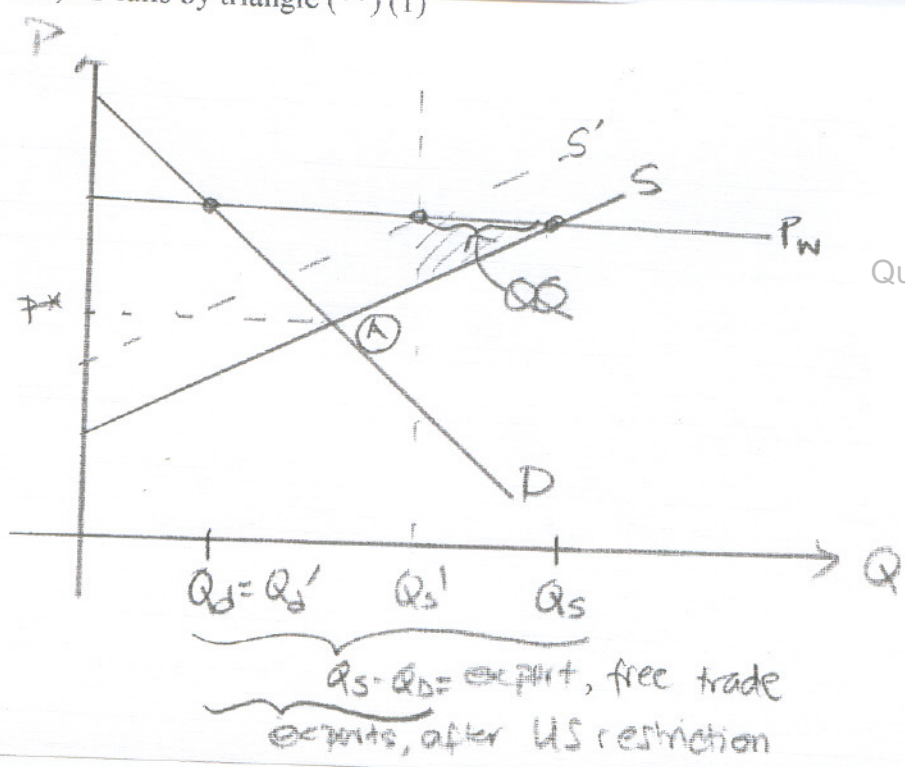
ANS:

- a) increase r
- b)

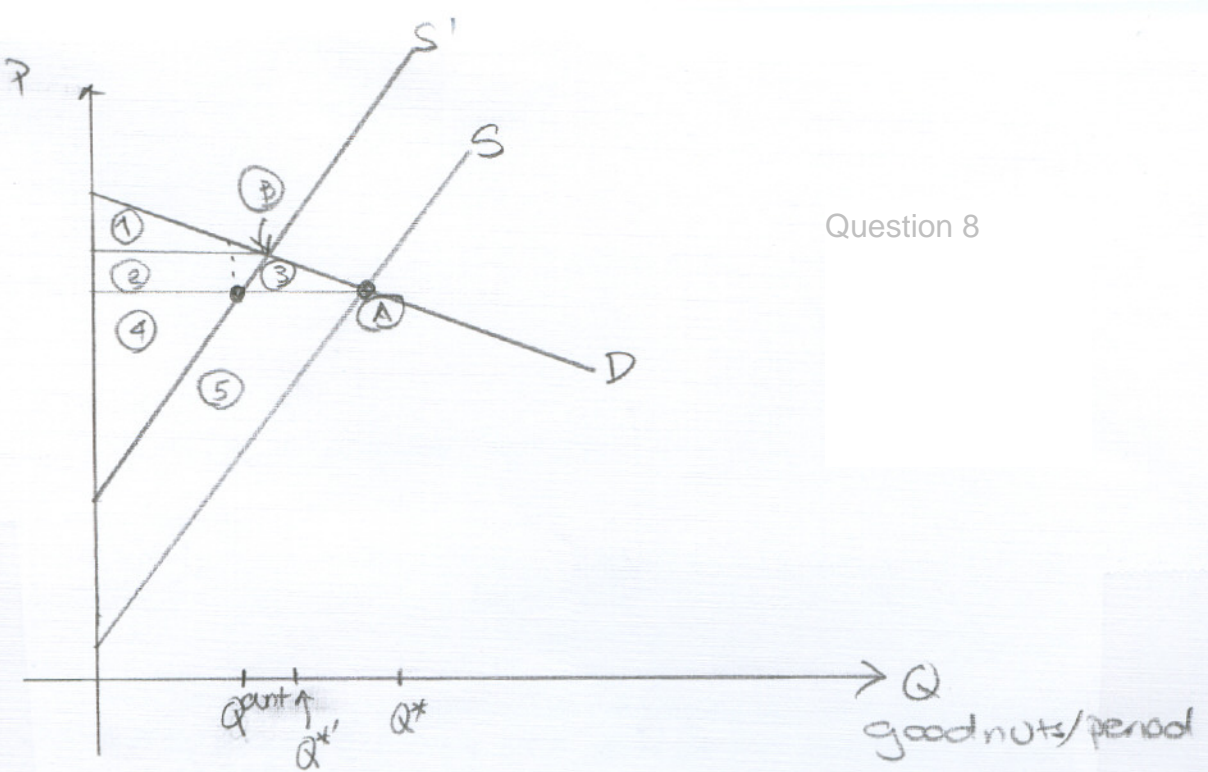


Question 3

Producers worse off, PS falls by triangle (**)(1)



Question 5



n can extract more surplus, and Q increases, rela to monop level (said firm is sole chipmaker particular chip type for this part)(1)

