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| 6 | **QS9:** Interpret, apply and analyse information in written, graphical, tabular and numerical forms | **The only correct answer is A**<br><br>**B** *is not correct because it is not producing at the lowest point on the AC curve in the short run*<br><br>**C** *is not correct because these firms make normal profits in the long run*<br><br>**D** *is not correct because price is not equal to marginal cost in the short run* | **(1)** |

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| 6 | **QS9:** Interpret, apply and analyse information in written, graphical, tabular and numerical forms. | **The only correct answer is A**<br><br>***B** is not correct because monopolistically competitive firms are productively inefficient and make normal profits in the long-run*<br><br>***C** is not correct as they make normal profits in the long-run* | **(1)** |
| | | ***D** is not correct as monopolistically competitive firms are not allocatively efficient* | |

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| 3 | **QS9:** Interpret, apply and analyse information in written, graphical, tabular and numerical forms. | **The only correct answer is D**<br><br>**A** *is not correct because a firm in a monopolistically competitive market does not produce at the lowest point on the AC curve*<br><br>**B** *is not correct because there is freedom of entry in a monopolistically competitive market so any short-run supernormal profits would be competed away in the long-run*<br><br>**C** *is not correct because is not correct because a firm operating on a monopolistically competitive market does not produce at the output at which price = MC* | **(1)** |

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| 2 | **QS9:** Interpret, apply and analyse information in written, graphical, tabular and numerical forms. | The correct answer is **D**<br>**A** is incorrect because price is greater than MC<br>**B** is incorrect because the firm would remain in the industry as ceteris paribus it would be making supernormal profit<br>**C** is incorrect because the firm is not producing at the lowest point on the AC curve | **(1)** |

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| 3 | **QS4: Construct and interpret a range of standard graphical forms**<br>**QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms.** | **The only correct answer is A**<br>B is incorrect because there can only be super-normal profits in the short-run<br>C is incorrect because it is not operating at the MES<br>D is incorrect because price is not equal to marginal cost | **(1)** |

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| 3 | **QS4:** Construct and interpret a range of standard graphical forms<br>**QS9:** Interpret, apply and analyse information in written, graphical, tabular and numerical forms | **The only correct answer is A**<br>**B** is incorrect because a business in a monopolistically competitive market does not make supernormal profit in the long-run<br>**C** is incorrect because a business in a monopolistically competitive market is not allocatively efficient<br>**D** is incorrect because a monopolistically competitive business would make normal profit in the long-run | **(1)** |

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| 2 | **QS4: Construct and interpret a range of standard graphical forms**<br>**QS9: Interpret, apply and analyse information in written, graphical, tabular and numerical forms.** | **The only correct answer is D**<br>A is incorrect because MR is not equal to 0<br>B is incorrect because this is not the lowest point on the ATC curve<br>C is incorrect because the firm is making supernormal profit | **(1)** |