

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