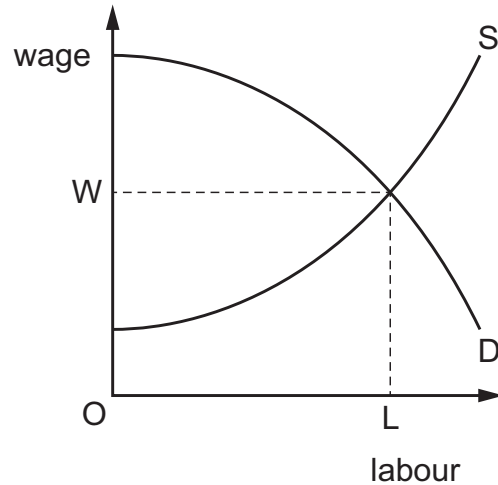


14 The diagram represents the demand and supply of labour in a competitive industry.



What is true about unit of labour L when they are paid wage W?

- A L is paid only economic rent.
- B L is paid an element of economic rent and transfer earnings.
- C L is paid below transfer earnings and leaves the industry.
- D L is paid exactly transfer earnings and remains in work.