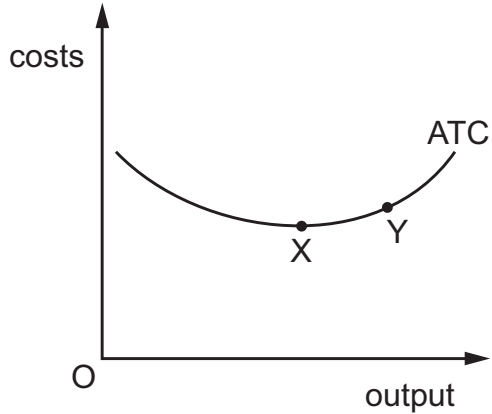


- 11 The diagram shows the average total cost curve (ATC) for a firm after a merger.



Why is the movement from X to Y likely to result from this merger?

- A Consumer demand is rising.
- B Marketing economies of scale occur at higher levels of output.
- C The firm faces problems of co-ordination between departments.
- D The firm is negotiating discounts through bulk buying.