

12 How would an economist establish the market demand curve for a private good?

- A** by adding consumer surplus to total expenditure
- B** by combining individual demand curves horizontally
- C** by combining the price elasticity of individual demands
- D** by multiplying price by quantity demanded

13 Knowledge of which combination of demand elasticities would be relevant to a firm trying to increase its revenue?

	price elasticity of demand	cross elasticity of demand	income elasticity of demand
A	✓	✓	✓
B	✓	✓	✗
C	✓	✗	✓
D	✗	✓	✓

14 What will definitely stop, following the nationalisation of an industry?

- A** dividend payments to the industry's shareholders
- B** job losses among the industry's workforce
- C** price increases for the industry's product
- D** the closure of unprofitable factories in the industry