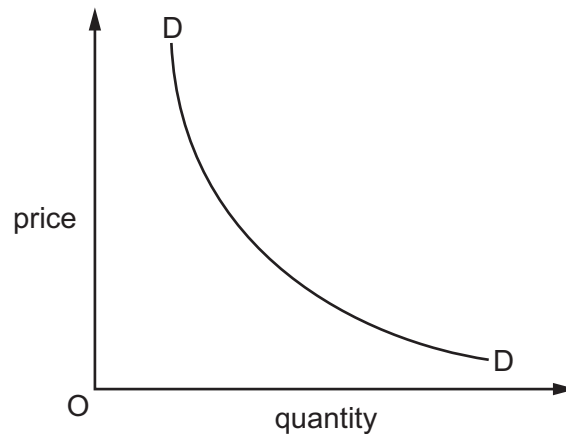


- 8 In the diagram the rectangular hyperbola, DD, represents a firm's demand curve.



What can be deduced from the diagram?

- A An increase in the quantity supplied causes a fall in total revenue.
  - B The price elasticity of demand decreases as we move down the demand curve.
  - C The sale of an extra unit gains no extra revenue.
  - D Total expenditure on the commodity decreases as the price falls.
- 9 What is price elasticity of supply?
- A the change in the quantity supplied when a price changes
  - B the change in the quantity supplied when demand changes
  - C the comparison of the proportionate change in supply to the proportionate change in demand
  - D the comparison of the proportionate change in supply to the proportionate change in price
- 10 The demand for tablets increases, while the cost of producing them decreases.

What will be the effect on the price of tablets and on the quantity supplied?

	price	quantity
<b>A</b>	fall	uncertain
<b>B</b>	rise	increase
<b>C</b>	uncertain	increase
<b>D</b>	uncertain	uncertain