

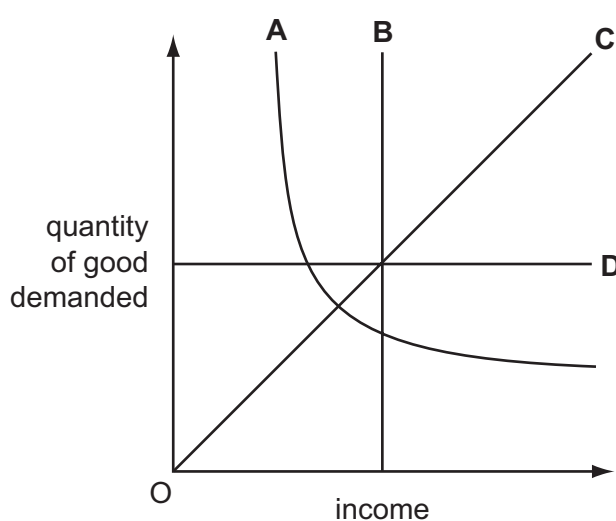
- 7 A product has a normal demand curve and a normal supply curve.

What would explain a rise in the price of the product and a fall in the quantity of the product traded?

- A The decrease in demand is double the decrease in supply.
- B The decrease in supply is double the decrease in demand.
- C The increase in demand is double the increase in supply.
- D The increase in supply is double the increase in demand.

- 8 The diagram shows how the quantity demanded of four goods changes as income changes.

Which good has an income elasticity of demand which is always +1?



- 9 The cross elasticity of demand between bus travel and rail travel is +2. A rise in the price of bus fares caused the demand for rail travel to rise by 10%.

Which change in bus fares has brought this about?

	from (cents)	to (cents)
A	20	21
B	30	33
C	40	45
D	50	60