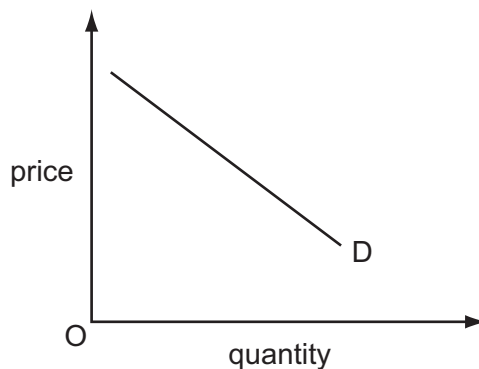


- 5 The diagram shows the demand curve for housing.



What is **not** assumed to remain constant when drawing this curve?

- A consumer incomes
  - B expectations about future house prices
  - C the price of houses
  - D the rate of interest charged on loans for house purchase
- 6 What does **not** cause the demand curve for cars to shift to the right?
- A a fall in the price of petrol (gas)
  - B a fall in the price of public transport
  - C an advertising campaign by car manufacturers
  - D an economy-wide increase in incomes
- 7 An individual reacts to a 5% increase in the price of good X by increasing the proportion of his income that he spends on good X from 2% to 3%.

If there are no other changes, what can be concluded from this about the individual's demand for good X?

- A It is income-elastic.
- B It is income-inelastic.
- C It is price-elastic.
- D It is price-inelastic.