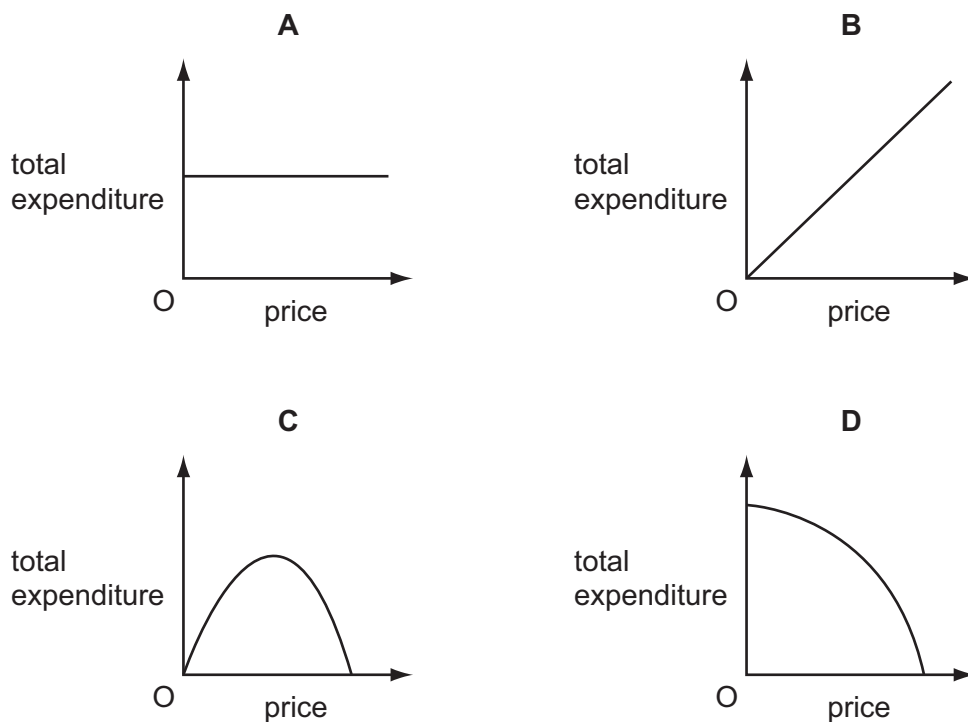


- 5 What ensures that demand for a product is effective?
- A The consumer must be in the private sector of the economy.
  - B The consumer must have sufficient income to buy the product.
  - C The consumer must receive consumer surplus.
  - D The consumer must want to buy the product.
- 6 What would cause the demand for holiday accommodation in Mauritius to shift to the left?
- A a fall in the exchange value of the Mauritian rupee
  - B poor holiday weather in Mauritius
  - C relaxation in planning controls on hotel construction in Mauritius
  - D removal of sales tax on hotel accommodation in Mauritius
- 7 The demand for a commodity has unitary price elasticity.

Which diagram shows the relationship between total expenditure on the commodity and its price?



- 8 The cross-elasticity of demand between two goods will be higher
- A the greater the difference in price between the two goods.
  - B the greater the income elasticities of demand for the two goods.
  - C the greater the price elasticities of demand for the two goods.
  - D the more they are regarded as similar by consumers.