

- 11** Which reason for the increase in demand for a smartphone is an example of joint demand?
- A** a fall in its price
 - B** a fall in the price of connecting to a network
 - C** a fall in the price of parts used to make smartphones
 - D** a rise in the price of a substitute
- 12** A market is in equilibrium. The government intervenes by creating a price floor below which the market price cannot fall.
- Which term describes this form of government intervention?
- A** maximum price
 - B** minimum price
 - C** subsidy
 - D** unit tax
- 13** What is an example of a public good?
- A** a new road linking a major city with a port
 - B** free lunches provided to students at a school
 - C** Wi-Fi (internet access) provided for all the citizens of a town
 - D** state provision of a national defence system
- 14** The diagram shows an initial market equilibrium for an agricultural product of \$6 and 800 units.



How much will the government have to spend to increase the market price to \$10?

- A** \$1600
- B** \$2400
- C** \$3200
- D** \$4000