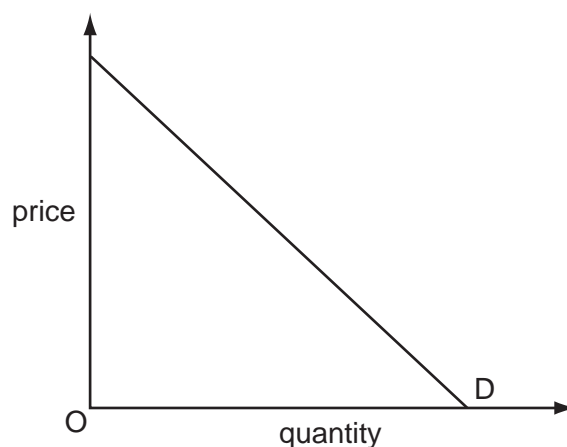


- 7 The diagram shows the demand curve for a product.



Which statement is correct?

- A** Demand is less elastic at higher prices than at lower prices.
 - B** Consumer expenditure on the product always rises when price falls.
 - C** Price elasticity of demand is different at every price.
 - D** Price elasticity of demand equals one at every price.
- 8 The table shows the market demand for a product and the individual supply of the three firms X, Y and Z in the industry.

price \$	market demand (000)	supply by X (000)	supply by Y (000)	supply by Z (000)
40	60	50	10	20
30	70	41	11	18
20	80	34	10	16
10	90	30	9	11

What is the equilibrium market price?

- A** \$40 **B** \$30 **C** \$20 **D** \$10