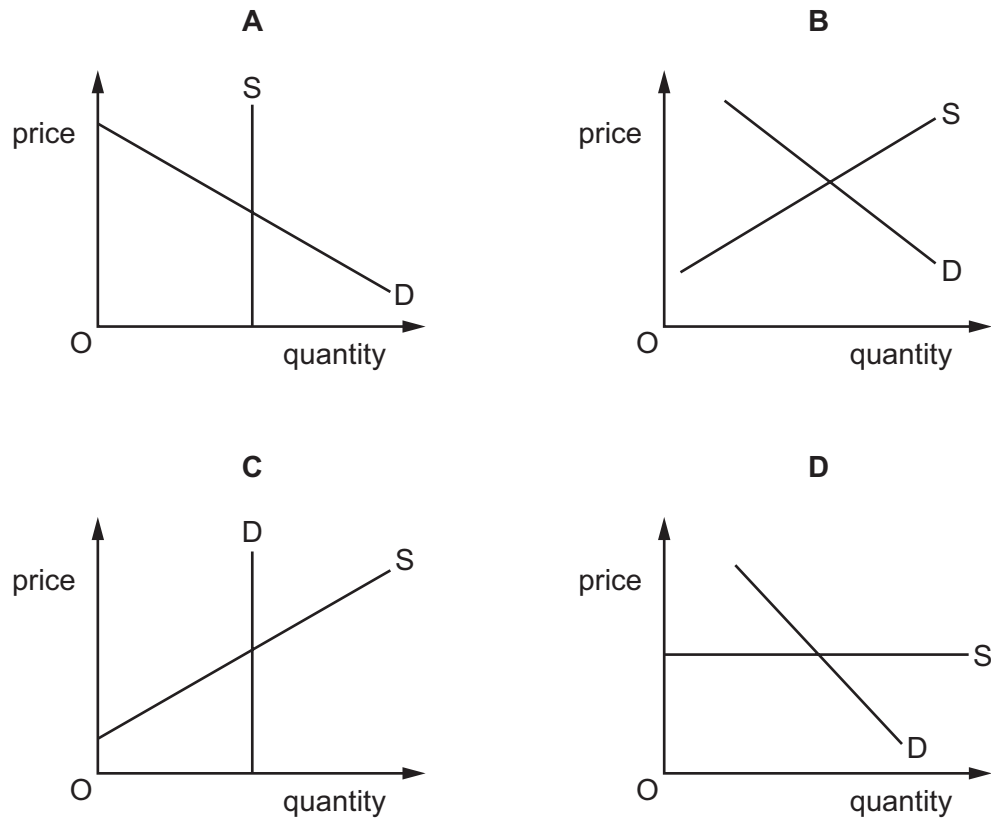


5 The diagrams relate to the markets for four different products.

In which market would a 10% decrease in demand and simultaneously a 10% increase in supply definitely result in both a fall in equilibrium price and a rise in equilibrium quantity?



6 The supply of a new drug to relieve muscle pain is very inelastic over a short period of time. The supply of printed newspapers is much more elastic over the same time period.

What could explain the difference in elasticity of supply of the drug and printed newspapers in this time period?

	new drug	printed newspapers
<b>A</b>	cost per unit is low	cost per unit is high
<b>B</b>	discovery is by chance	takes longer to produce
<b>C</b>	research and development essential	excess capacity in printing
<b>D</b>	similar products available	similar products unavailable

7 Which change would cause the supply curve of sugar-sweetened drinks to shift to the right?

- A** a fall in the price of sugar
- B** a removal of a subsidy on sugar
- C** an increase in consumer income
- D** an increase of a specific tax on sugar