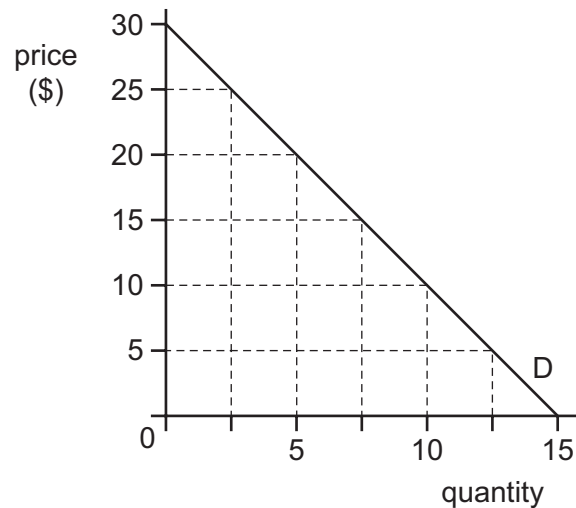


- 7 The diagram shows a consumer's demand curve for a product.



How does consumer surplus change as the price of the product rises?

- A It falls at a constant rate (%) with each \$5 rise.
  - B It falls by a constant amount with each \$5 rise.
  - C It falls by a decreasing amount with each \$5 rise.
  - D It falls by an increasing amount with each \$5 rise.
- 8 Following the introduction of a 10% increase in charges for car parking in a city centre, the demand for bus journeys per day into the city rose from 800 to 1000.

What was the cross elasticity of demand for bus journeys with respect to car parking charges?

- A -0.4                      B +0.4                      C +2.0                      D +2.5