

8 Which example of consumer behaviour would create consumer surplus?

- A** when a consumer does not spend all of her income each month
- B** when a consumer pays less than they are willing to pay for a good
- C** when a consumer throws away vegetables because they bought too much
- D** when a good is purchased in order to resell it at a higher price

9 A manufacturer reduces the price of its goods after developing a more efficient manufacturing process. It makes leather belts that compete against belts made of artificial material.

What are the likely outcomes of the change in the manufacturing process?

	supply of leather belts	price of artificial belts
A	decreases	decreases
B	decreases	increases
C	increases	decreases
D	increases	increases

10 What is the likely price elasticity of supply of highly perishable goods and goods that have low stocks?

	highly perishable goods	goods that have low stocks
A	elastic	elastic
B	elastic	inelastic
C	inelastic	elastic
D	inelastic	inelastic