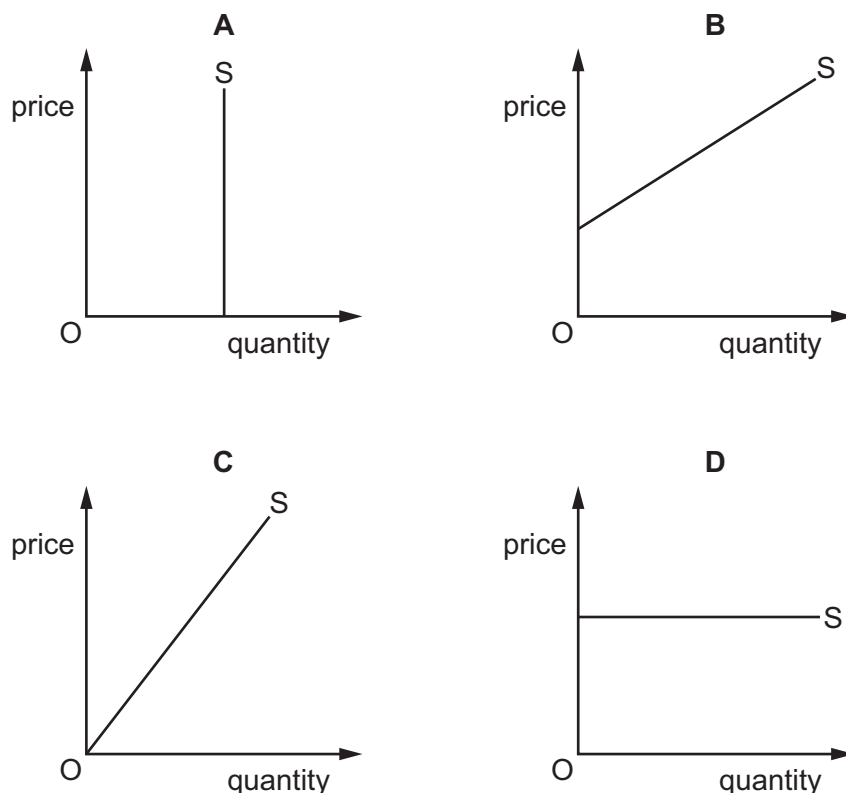


6 Which diagram illustrates unitary elasticity of supply?



7 In which case is the price system **not** a possible method of allocating resources?

- A in the distribution of foodstuff among the population
- B in the hiring of workers by employers
- C in the ownership of land for agricultural use
- D in the provision of public goods by the government

8 A sports stadium has two prices of seats. The cheaper seats are \$10 and the more expensive seats are \$20. When the prices of all seats are increased by 10%, the effects on demand are a fall of 5% for the cheaper seats and a fall of 12% for the more expensive seats.

What describes the responsiveness of demand to the change in price?

	cheaper seats	more expensive seats
A	elastic	elastic
B	elastic	inelastic
C	inelastic	elastic
D	inelastic	unitary elasticity