

- 6 There are two main types of coffee grown, arabica and robusta. The table gives details of the four largest coffee producers for 2013-2014. Production is measured in thousand 60 kilogram bags.

coffee producer	arabica coffee	robusta coffee	total output
Brazil	39 400	14 400	53 800
Vietnam	1 175	27 800	28 975
Indonesia	1 650	7 850	9 500
Colombia	11 000	0	11 000

What can be concluded from the table about production in the four countries?

- A Brazil has the highest level of specialisation.
  - B Brazil produces more coffee than the other three named producers together.
  - C Robusta coffee production is greater than arabica coffee production.
  - D Vietnam has a comparative advantage in robusta and Colombia in arabica.
- 7 A manufacturer progressively reduces the price of his product in an attempt to increase total revenue.

The table shows the outcome of this policy.

price (\$)	total revenue 000s (\$)
10	750
9	750
8	750

What is the price elasticity of demand for the product?

- A perfectly inelastic
  - B relatively inelastic
  - C perfectly elastic
  - D unitary
- 8 Public transport has an income elasticity of demand of  $-0.36$ .

What does this mean about public transport?

- A It has close substitutes.
- B It is a necessity.
- C It is a normal good.
- D It is an inferior good.