

- 7 The table gives estimates of own-price and cross-price elasticities of demand for tea and instant coffee.

	elasticity with respect to the price of	
commodity	tea	instant coffee
tea	−0.48	+0.11
instant coffee	+0.13	−0.67

Other things being equal, what will be the change in the quantity of instant coffee demanded as a result of a 1 % increase in the price of tea?

- A** +0.11 %      **B** +0.13 %      **C** −0.11 %      **D** −0.13 %
- 8 In calculating the short-run supply schedule for a firm, what is assumed to remain unchanged?
- A** the number of consumers  
**B** the price of the good  
**C** the quantities of all factors  
**D** the state of technology
- 9 The table shows the demand and supply schedules for a good before and after the imposition of a tax.

price (\$)	quantity demanded	quantity supplied before tax	quantity supplied after tax
20	340	440	380
19	340	430	340
18	340	410	290
17	340	380	230
16	340	340	160
15	340	290	80
14	340	230	0

What was the amount of the tax?

- A** \$1      **B** \$2      **C** \$3      **D** \$4