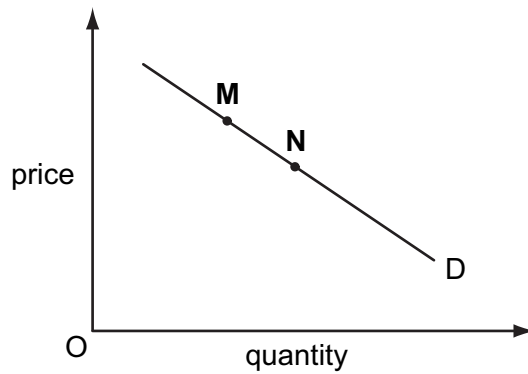


6 The diagram shows the demand curve for good X.



What could cause a movement along the curve from **M** to **N**?

- A** a change in consumer tastes in favour of X
- B** a decrease in labour costs of producing X
- C** a decrease in the demand for X
- D** an increase in the price of a substitute good

7 From the table below, in which price range is demand for product X inelastic?

product X	
price \$	quantity demanded
12	250
11	450
10	500
9	600
8	650

- A** \$12-11      **B** \$11-10      **C** \$10-9      **D** \$9-8

8 Product R is an inferior good with no close substitutes. It is also a complement to product S.

Which describes product R?

	income elasticity of demand	cross elasticity of demand with respect to product S
<b>A</b>	negative	positive
<b>B</b>	positive	negative
<b>C</b>	negative	negative
<b>D</b>	positive	positive