

- 5 The following might influence the demand for a good.

Which would **not** cause a shift in the demand curve for the good?

- A a change in the price of a complement
- B a change in the price of a substitute
- C a change in the price of the good itself
- D a change in consumers' incomes

- 6 A fall in the price of cars causes the demand for petrol to rise by 20 %. The cross-elasticity of demand between cars and petrol is  $-2$ .

Which change in car prices has brought this about?

	from	to
A	\$6000	\$5000
B	\$5500	\$4500
C	\$5000	\$4500
D	\$5000	\$4000

- 7 What is correct about market supply?

- A Market supply can increase only when all individual firms increase their output.
- B Market supply is effective when consumers have sufficient income to buy the good.
- C Market supply is the result of aggregating the supply of all individual firms.
- D Market supply of an inferior good falls as price increases.

- 8 The price of a firm's product rises by 12 %.

After one week the firm is only able to produce the same quantity but after one month it can increase the quantity by 6 %.

How would price elasticity of supply be described after one week and after one month?

	after one week	after one month
A	infinite	elastic
B	infinite	inelastic
C	zero	elastic
D	zero	inelastic