

- 17** A concert arena has a fixed capacity that allows it to sell 10 000 tickets for a concert. The current equilibrium price for a ticket is \$10. The owners of the arena decide to set a minimum price for a ticket.

Under which conditions will there be the most unsold tickets?

	minimum ticket price (\$)	price elasticity of demand for tickets
<b>A</b>	11	inelastic
<b>B</b>	11	elastic
<b>C</b>	12	inelastic
<b>D</b>	12	elastic

- 18** A government announces its intention to reduce the level of transfer payments in the economy.

Which statement made by the government is consistent with this intention?

- A** There need to be more incentives for unemployed workers to seek jobs.
- B** State pensions need to be increased.
- C** The level of income tax needs to be raised.
- D** The level of government expenditure needs to be increased.
- 19** Assuming the demand for oil is price-inelastic, what will be the effect on demand-pull inflation and on cost-push inflation in an oil-importing country of an increase in the world price of oil?

	effect on demand-pull inflation	effect on cost-push inflation
<b>A</b>	increase	increase
<b>B</b>	increase	reduce
<b>C</b>	reduce	increase
<b>D</b>	reduce	reduce