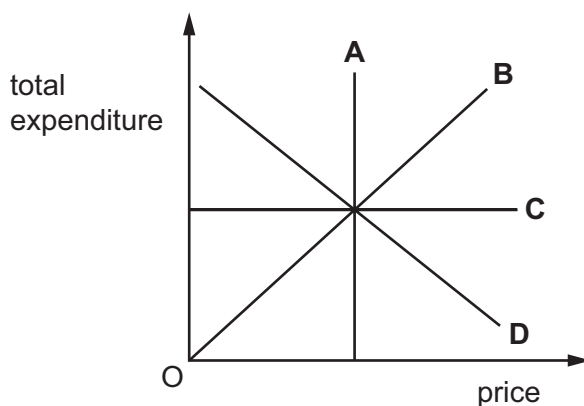


- 8 The price elasticity of demand for a product is constant and equal to unity.

Which curve in the diagram shows the relationship between total expenditure on the product and its price?



- 9 A bottle making business announced it had introduced a new production system. As a result the quantity produced per week could be increased or reduced much more easily when the price of bottles changed.

What term describes this change?

- A a less elastic demand
 - B a less elastic supply
 - C a more elastic demand
 - D a more elastic supply
- 10 The supply function for a good can be written as $Q = 2P + 10$, where Q is the quantity supplied in kilos and P is the price per kilo in dollars.

The price falls from \$15 to \$10 per kilo.

The value of price elasticity of supply for this price change lies in a range from

- A $\frac{1}{6}$ to $\frac{1}{4}$.
- B $\frac{3}{8}$ to $\frac{1}{2}$.
- C $\frac{2}{3}$ to $\frac{3}{4}$.
- D $1\frac{1}{4}$ to $1\frac{1}{2}$.