

- 4 Professional gardeners now use power tools instead of hand tools to maintain their customers' gardens.

What can be concluded from this information?

- A Capital has replaced all labour for maintaining gardens.
- B Gardening has become more labour-intensive.
- C Land has become more productive.
- D New technology has been introduced.

- 5 Goods X and Y are complements and have upward-sloping supply curves.

What will be the effect on the equilibrium price and quantity of good X of an increase in the supply of good Y?

	price of X	quantity of X
A	decrease	decrease
B	increase	decrease
C	decrease	increase
D	increase	increase

- 6 A change in which factor will be **least** likely to alter a consumer's ability to pay for a product?

- A a consumer's income
- B a consumer's tastes
- C a change in the price of the product
- D a fall in the tax on goods and services

- 7 What is likely to decrease the price elasticity of supply (PES) of a product?

- A an increase in advertising the product
- B an increase in the firm's ability to substitute capital for labour
- C an increase in the time during which the product can be stored
- D an increase in the time required to produce the product