

- 4 The table identifies the functions of money and the principal benefit that each function produces.

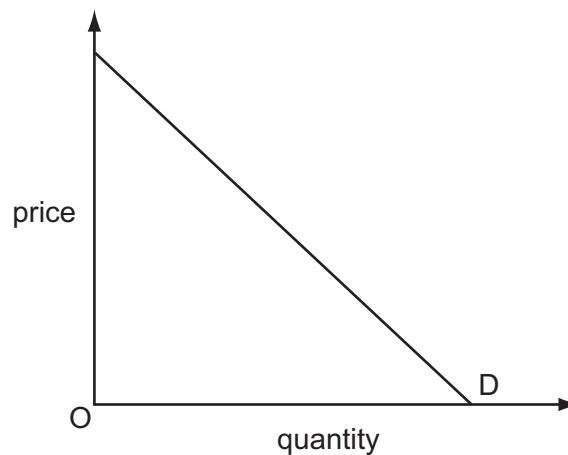
Which function of money is correctly matched with its principal benefit?

	function	benefit
A	medium of exchange	permits a system of credit to operate
B	standard of deferred payment	encourages the accumulation of funds for future use
C	store of wealth	overcomes the drawbacks of the barter system
D	unit of account	allows the relative value of goods to be compared

- 5 Which change does **not** have an immediate effect on the position of the demand curve for a product?

- A** a fall in the price of a complementary product
- B** an increase in the labour costs of its production
- C** a range of new products entering the market
- D** a rise in the price of a substitute product

- 6 The diagram shows the demand curve for a product.



Which statement is correct?

- A** Demand is less elastic at higher prices than at lower prices.
- B** Consumer expenditure on the product always rises when price falls.
- C** Price elasticity of demand is different at every price.
- D** Price elasticity of demand equals one at every price.