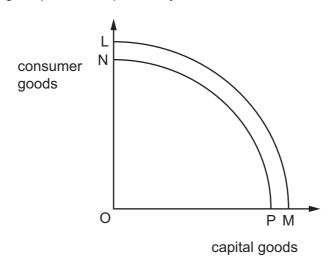
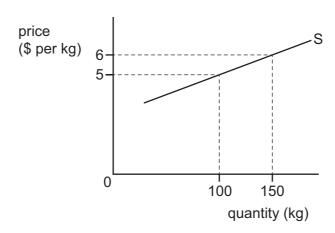
4 In the diagram the original production possibility curve is LM.



What could cause the curve to shift to NP?

- A a fall in the working population
- B a reallocation of resources from consumer goods to capital goods
- **C** an increase in output per worker
- **D** an increase in unemployment
- 5 The diagram shows the supply curve for bananas.



What is the price elasticity of supply when there is a rise in price from \$5 to \$6?

- A -2.5
- **B** +0.4
- **C** +2
- **D** +2.5
- 6 What causes an inelastic market supply curve for an agricultural crop such as wheat?
 - A a government decision to import crops at times of shortage
 - B an efficient use of fertilisers causing crop production to rise
 - **C** the storage of excess production for future sale
 - **D** the very long time required to produce additional output