13 What is used to calculate the price elasticity of demand?

A $\dfrac{\text{change in price}}{\text{change in quantity demanded}}$

B $\dfrac{\text{change in quantity demanded}}{\text{change in price}}$

C $\dfrac{\text{percentage change in price}}{\text{percentage change in quantity demanded}}$

D $\dfrac{\text{percentage change in quantity demanded}}{\text{percentage change in price}}$

14 After a series of poor harvests, a government imposes an effective maximum price on cereals.

What would be a consequence of this policy?

A Both rich and poor people would satisfy their demands equally.

B Illegal buying and selling through a black market would be prevented.

C Rationing would be necessary to ensure a fair distribution of cereals.

D The market would fail to clear leaving a surplus of cereals.

15 What would be a transfer payment?

A the payment made by a company to its shareholders out of its profits

B the payment made for a legal document to transfer ownership of a house

C the payment made to a retired person in the form of a pension

D the payment made to a professional sports team for the transfer of a player

16 The government redistributes income by raising the top rate of income tax and using the money raised to finance additional benefits to students and the unemployed.

Under which conditions will total spending in the economy increase the most?

	income elasticity of demand of top rate income taxpayers	income elasticity of demand of students and the unemployed
A	> 1	> 1
B	> 1	< 1
C	< 1	> 1
D	< 1	< 1