9 An industry is comprised of three firms, R, S and T which produce product X.

price of X $	output of X		
	firm R	firm S	firm T
36	80	59	85
29	73	48	76
22	52	0	68

By how much is a rise in the price of product X from $22 to $36 likely to increase the market supply of X?

A 27 **B** 77 **C** 104 **D** 224

10 A firm estimates that the price elasticity of supply of its product is 0.4.

Should the firm be concerned by this figure?

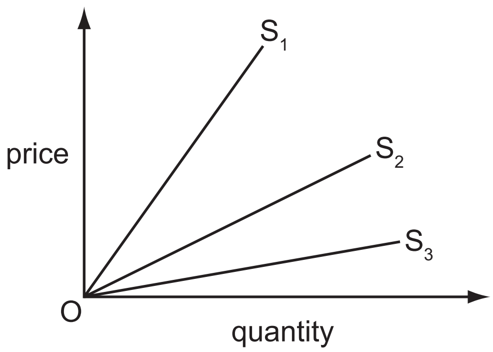
A No, as it implies that the firm will be able to raise revenue by raising price.

B No, as it suggests there are few substitutes for the product.

C Yes, as it indicates that the firm is not able to adjust supply easily when demand changes.

D Yes, as it means that demand for its product is increasing at a slow rate.

11 The diagram shows three supply curves.



What can be concluded about the price elasticity of supply of the curves?

A As price rises, the price elasticity of supply of S_2 will increase.

B At any price, the price elasticity of supply of S_1 will be less than that of S_3.

C At any price, the price elasticity of supply of S_2 will be higher than that of S_3.

D The price elasticity of supply of all three curves will be the same.