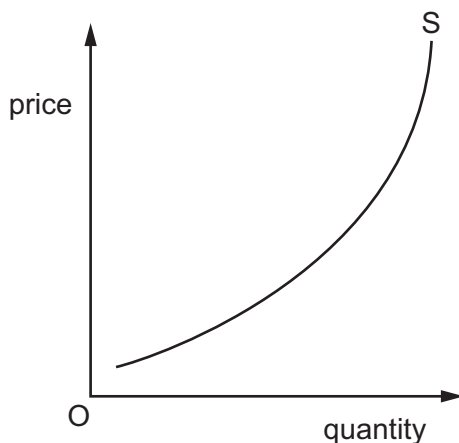


- 5 The diagram shows a supply curve for beef.



What explains why the supply curve for beef slopes upwards?

- A An increase in the demand for beef will bring about an increase in supply.
 - B Farmers' productivity rises as the price rises.
 - C Increased production leads to a reduction in costs.
 - D The cost of additional beef production rises as output increases.
- 6 A theatre increases the price of its tickets from \$10 to \$15. As a result, its total receipts decrease from \$10 000 to \$6000.

Within what range does the price elasticity of demand for theatre tickets lie?

- A 0.2 to 0.5
 - B 0.6 to 1.0
 - C 1.1 to 1.4
 - D 1.5 to 2.0
- 7 A taxi firm raises fares at its busiest times by as much as five times the normal fare. Taxi drivers and customers are notified of the changes by mobile (cell) phone.

What will result from this policy?

- A It will be less likely that there is a market equilibrium.
- B Potential customers will have less perfect information.
- C The market surplus will become a shortage.
- D The supply of taxi rides will become more price elastic.