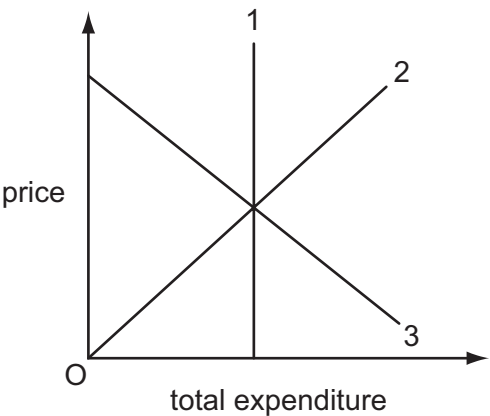


- 7 The diagram shows the relationship between total expenditure and price for three products, 1, 2 and 3.



Which curves represent the products with price elastic and unitary price elasticity of demand?

	elastic	unitary
<b>A</b>	1	2
<b>B</b>	2	3
<b>C</b>	3	1
<b>D</b>	3	2

- 8 The table shows the quantities demanded (Q) of goods X and Y corresponding to different prices (P) of the two goods.

	$P_X = \$8$	$P_X = \$10$
$P_Y = \$3$	$Q_X = 16$ $Q_Y = 20$	$Q_X = 12$ $Q_Y = 30$
$P_Y = \$4$	$Q_X = 20$ $Q_Y = 16$	$Q_X = 16$ $Q_Y = 24$

Within which range is the value of the cross elasticity of demand for good Y with respect to the price of good X?

- A** 0.75 to 1.5      **B** 1.50 to 2.4      **C** 1.66 to 2.0      **D** 1.75 to 2.5