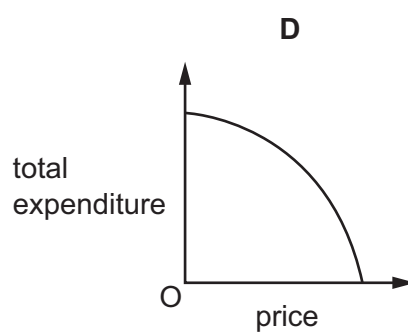
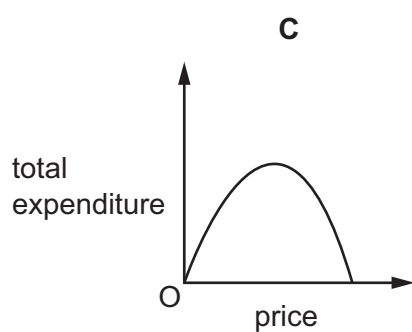
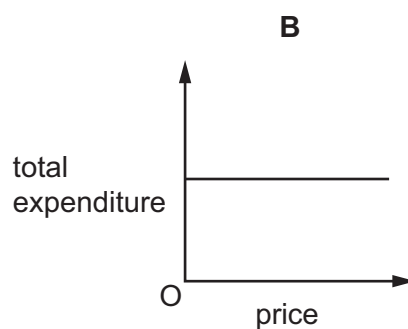
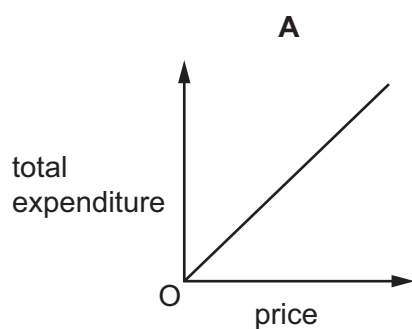


- 7 The demand for a commodity has unitary price elasticity.

Which diagram shows the relationship between total expenditure on the commodity and its price?



- 8 The price of good X rises by 10%. As a result, the demand for a substitute good Y rises by 20%.

What is the cross-elasticity of demand for good Y with respect to the price of good X?

- A** +2 **B** +0.5 **C** -0.5 **D** -2