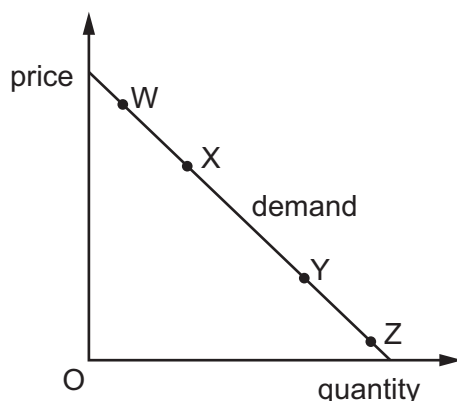
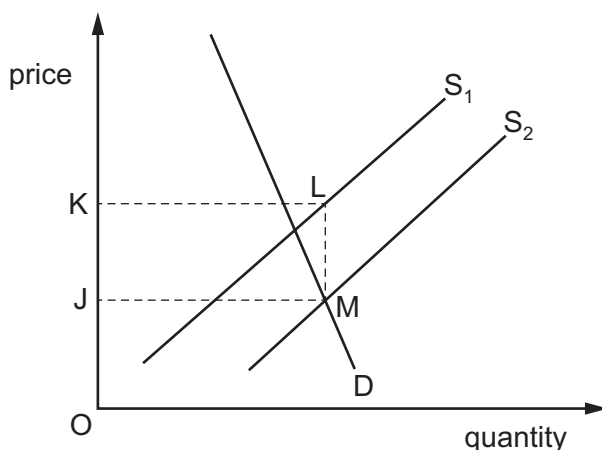


- 12 What does the assumption '*ceteris paribus*' mean when economists analyse the way in which the quantity demanded of a good changes?
- A Changes in quantity demanded can cause changes in any of the other variables.
  - B Consumer preferences are always assumed to remain unchanged.
  - C Only one variable is assumed to change while the others remain the same.
  - D Several variables change simultaneously.
- 13 The diagram shows the demand curve for a normal product.



Which two points indicate a move from a price inelastic point to a less price inelastic point?

- A W to X
  - B X to W
  - C Y to Z
  - D Z to Y
- 14 The diagram shows the effect on the market for rice of a change in government policy that causes a shift in the supply curve from  $S_1$  to  $S_2$ .



What does the area JKLM represent?

- A the cost to the government of a subsidy to rice growers
- B the extra saving to importers of the removal of a tariff on rice
- C the increase in consumer surplus from the introduction of a maximum price for rice
- D the loss in government revenue from the reduction in a lump sum tax on rice