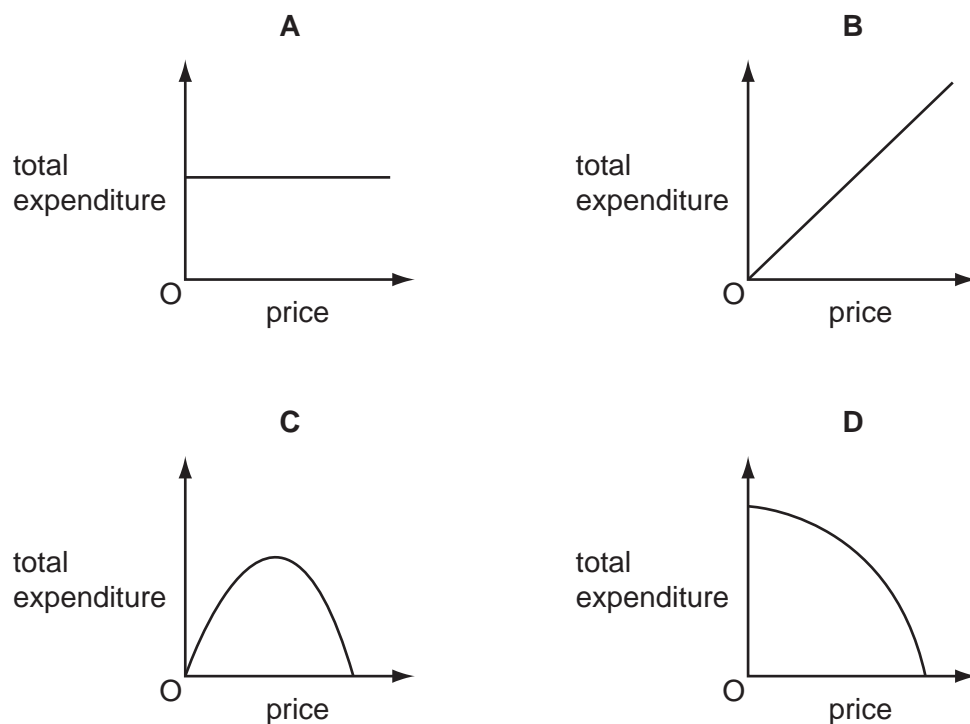


- 7 The demand for a commodity has unitary price elasticity.

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



- 8 The table gives information about the market for two models of car.

model	number of cars sold per week	cross elasticity of demand with respect to the price of petrol
1200 cc	10 000	-0.25
2000 cc	5 000	-0.50

If the prices of the cars remain unchanged, but the price of petrol increases by 100 %, what will be the effect on the number of cars sold per week?

- A** increase by 5000
- B** no change
- C** decrease by 5000
- D** decrease by 15 000