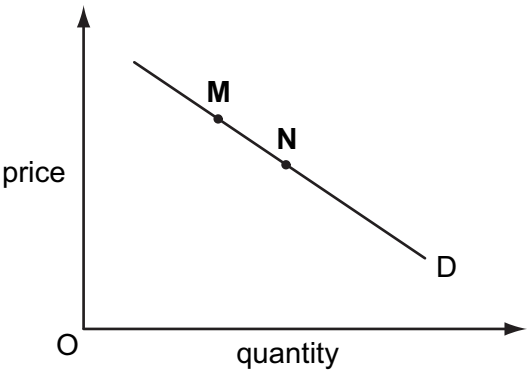


6 The diagram shows the demand curve for good X.



What could cause a movement along the curve from **M** to **N**?

- A** a change in consumer tastes in favour of X
- B** a decrease in labour costs of producing X
- C** a decrease in the demand for X
- D** an increase in the price of a substitute good

7 From the table below, in which price range is demand for product X inelastic?

| product X | |
|-------------|-------------------|
| price \$ | quantity demanded |
| 12 | 250 |
| 11 | 450 |
| 10 | 500 |
| 9 | 600 |
| 8 | 650 |

- A** \$12-11 **B** \$11-10 **C** \$10-9 **D** \$9-8

8 Product R is an inferior good with no close substitutes. It is also a complement to product S.

Which describes product R?

| | income elasticity of demand | cross elasticity of demand with respect to product S |
|----------|-----------------------------|---|
| A | negative | positive |
| B | positive | negative |
| C | negative | negative |
| D | positive | positive |