

- 4 Arfan and his brother Ben own and run a fishing business together. They have one boat and on the days when they fish they employ Cephas and Dipak. They sell the fish to the owner of a local shop.

Which row correctly identifies the factors of production involved?

| | land | labour | capital | enterprise |
|----------|----------|------------------|-------------------------|---------------|
| A | shop | Arfan and Ben | money paid for the fish | shop owner |
| B | shop | Cephas and Dipak | boat | Arfan |
| C | the fish | Ben | money paid for the fish | shop owner |
| D | the fish | Cephas and Dipak | boat | Arfan and Ben |

- 5 The market price of a product rose from \$8 to \$10 and as a result the market demand fell from 20 000 to 8000 a week.

Consumer X's demand declined from 30 to 24 and consumer Y's demand fell from 100 to 60 a week.

What can be concluded from this information?

- A** Consumer X's demand for the product was more elastic than the market demand.
- B** Consumer X's percentage share of the market increased.
- C** Producer's total profit fell.
- D** Producer's total revenue rose.
- 6 A government wishes to impose a tax on a good so that the producer and not the consumer pays most of the tax increase.

Which level of price elasticity of demand would it be best for the good to have to achieve this aim?

- A** price elasticity of demand is elastic
- B** price elasticity of demand is inelastic
- C** price elasticity of demand is perfectly inelastic
- D** price elasticity of demand is unitary