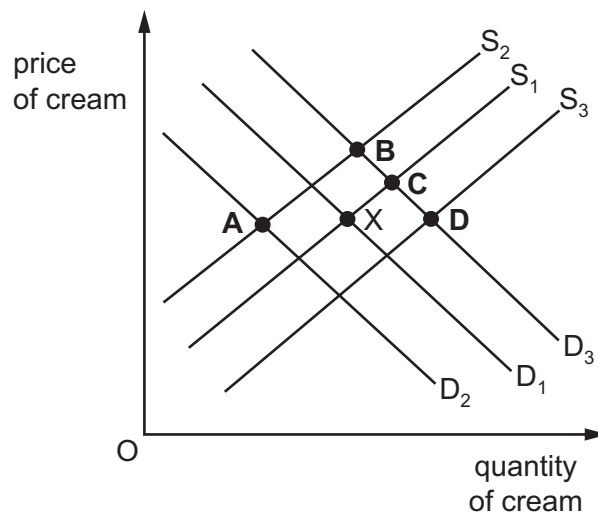


- 7 The diagram shows the demand for and supply of cream. The original equilibrium is point X. Strawberries and cream are complementary goods.

If the price of strawberries falls and the cost of producing cream increases which point represents the new equilibrium?



- 8 Hunters in Mozambique want to extract wild honey from beehives. They find the beehives by following birds known as honeyguide birds who want the beeswax that is also found in the beehives.

What does this suggest?

- A Hunters and honeyguide birds are rival consumers.
 - B Wild honey and beeswax are free goods.
 - C Wild honey and beeswax are in joint supply.
 - D Wild honey is the opportunity cost of beeswax.
- 9 What follows if the income elasticity of demand for a good has a value of -0.2 ?
- A When income rises less of the good is bought.
 - B When income rises more of the good is bought.
 - C When price falls more of the good is bought.
 - D When price rises less of the good is bought.