

**4** What is **not** a function of money?

- A** It is a medium of exchange.
- B** It is a store of value.
- C** It is a unit of account.
- D** It is a measure of satisfaction.

**5** The producer of a good with a price-elastic demand observes that a rise in its price is accompanied by a rise in total revenue.

What might explain this?

- A** The good is an inferior good.
- B** The rise in price was due to an increase in demand for the good.
- C** The supply of the good was inadequate to meet the demand.
- D** The supply of the good was price-inelastic.

**6** What will increase the producer surplus of farmers that grow carrots?

- A** a decrease in the demand for carrots
- B** a decrease in the price of carrot seed
- C** a decrease in the price of cabbage
- D** a decrease in the subsidy on carrots