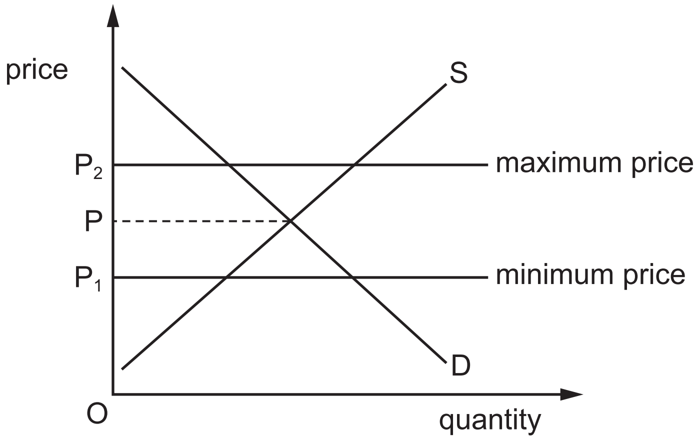
**9** The diagram shows the market for a good.




If the government imposes a minimum price at $OP_1$ and maximum price at $OP_2$ what would happen?

**A** The price will be unchanged at OP.

**B** The price will fall to $OP_1$.

**C** The price will rise to $OP_2$.

**D** There will need to be rationing by the government.

**10** Two goods, X and Y, have a cross elasticity of demand of +1.8. Good Y has an income elasticity of demand of –0.6.

An increase in both the incomes of consumers and the price of good Y will have which combination of effects?

| | quantity demanded of X | quantity demanded of Y |
|---|---|---|
| **A** | fall | fall |
| **B** | fall | rise |
| **C** | rise | fall |
| **D** | rise | rise |

**11** What is price elasticity of supply?

**A** the change in the quantity supplied when a price changes

**B** the change in the quantity supplied when demand changes

**C** the comparison of the proportionate change in supply to the proportionate change in demand

**D** the comparison of the proportionate change in supply to the proportionate change in price