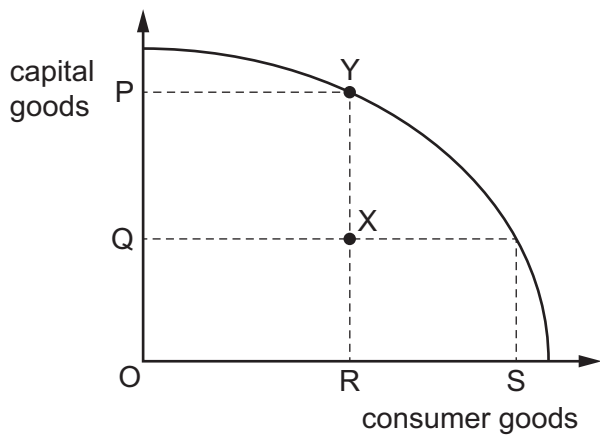


- 5 The diagram shows an economy's production possibility curve (PPC). The economy has moved from X to Y.



What can be deduced from the diagram?

- A Current living standards have fallen.
  - B The economy has become more efficient.
  - C There has been a rise in unemployment.
  - D There has been an opportunity cost of OR consumer goods.
- 6 An indirect tax is imposed on a product, causing total expenditure by consumers to increase.

Which row identifies this situation?

	price	price elasticity
A	decreases	elastic
B	decreases	inelastic
C	increases	elastic
D	increases	inelastic

- 7 The price elasticity of the supply of yoghurt is +1.5.

If the demand for yoghurt rises and price rises by 20%, how much more will be supplied to the market?

- A 0.3%
- B 3.0%
- C 13.3%
- D 30%