

- 4 In 2014, there was an outbreak of ebola, a deadly disease, in West Africa. People obtained information from hospitals, radio broadcasts and notices posted by the roadside on how to prevent the disease from spreading.

How can these sources of information be classified?

	hospitals	radio broadcasts	notices
A	private good	private good	public good
B	private good	public good	public good
C	public good	private good	private good
D	public good	public good	private good

- 5 A rise in the price of a good is accompanied by an increase in the quantity demanded.

What could explain this?

- A** Consumers spend a high proportion of disposable income on the good.
- B** The price of a complementary good has also increased.
- C** The price of the good is taken to be an indication of the level of quality.
- D** The substitute goods are all very much more expensive.
- 6 What causes the demand curve for an inferior good to shift to the right?
- A** a decrease in consumer incomes
- B** a decrease in income tax
- C** a decrease in the price of a substitute good
- D** a decrease in the price of the good
- 7 In a town, bus fares fall by 50% and this leads to an increase in bus use by 30%. The effect on car use is very low with only a 1% reduction.

What is the value of the cross-elasticity of demand between car travel and bus travel?

- A** -0.60 **B** -0.02 **C** +0.02 **D** +0.60