

- 4 What would encourage the growth of the international division of labour?
- A an improvement in transport systems
 - B instability in international exchange rates
 - C restrictions on the movement of resources
 - D the widespread introduction of tariffs
- 5 Which piece of information would enable you to construct the market demand curve for a product?
- A the equilibrium price of the product
 - B the number of consumers who would purchase the product at each price
 - C the number of firms in the industry
 - D the quantity that each consumer would be willing and able to buy at each price
- 6 What is most likely to increase the demand for compact disc players?
- A a fall in disposable incomes
 - B a fall in the price of cinema tickets
 - C a fall in the price of compact discs
 - D a fall in the price of video recorders
- 7 The price elasticity of demand for good **X** is 1. At a price of \$12, quantity demanded is 4000 units. What will be the price when the quantity demanded is 20 000 units?
- A \$2.00 B \$2.40 C \$2.66 D \$20.00