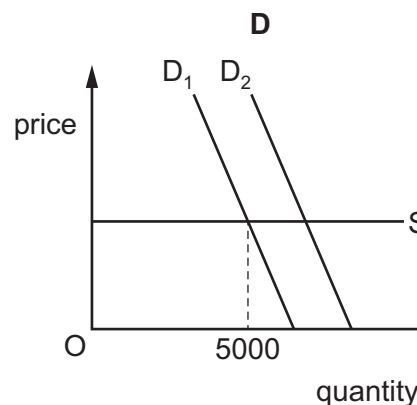
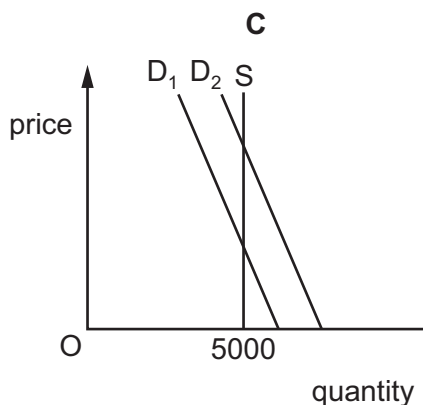
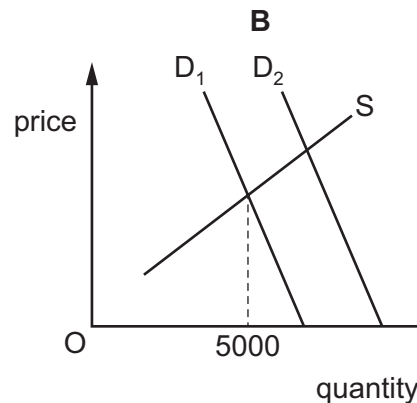
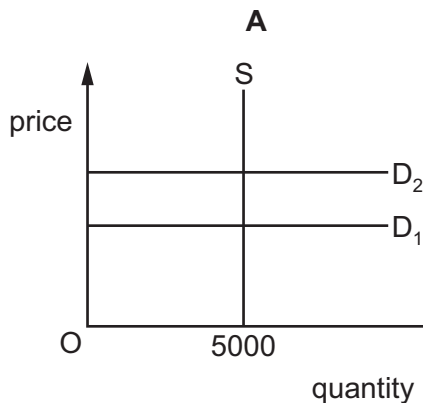


- 7 A popular band is due to perform at a music concert in a venue that has a 5000-seat capacity. Recent appearances and the release of a new album have made the band even more popular.  $D_1$  and  $S$  represent the original demand and supply curves for concert tickets and  $D_2$  the new demand curve.

Which diagram best represents the likely outcome on the market for concert tickets?



- 8 Why does an individual's demand curve generally slope downwards to the right?
- A** The additional satisfaction an individual gets from consuming most goods decreases as consumption increases.
  - B** The additional satisfaction an individual gets from consumption decreases as income rises.
  - C** The individual has finite income which is used to attempt to satisfy many wants.
  - D** For most goods the price charged by producers falls as the quantity purchased increases.
- 9 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