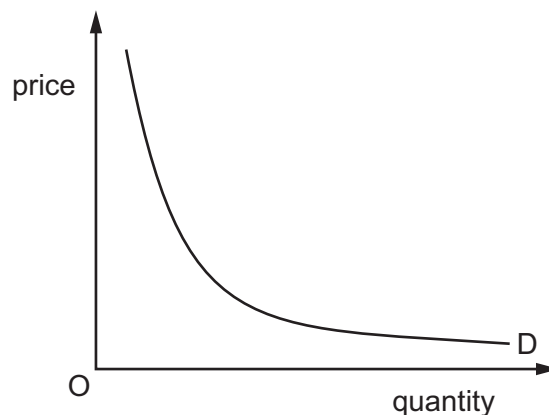


- 4 What is a characteristic of money but **not** a function of money?
- A medium of exchange
  - B portability
  - C standard of deferred payment
  - D store of value
- 5 In the UK, attempts to encourage people to change from road to rail travel by the introduction of a system of road pricing were forecast to have little effect because 'people like using their cars too much'.

How would this forecast be explained?

- A The price elasticity of demand for cars is high.
  - B The price elasticity of demand for petrol is high.
  - C The price elasticity of demand for rail travel is low.
  - D The price elasticity of demand for car travel is low.
- 6 The diagram shows the demand curve for a product with unitary price elasticity.



What will happen with such a curve?

- A A fall in price will bring about an increase in total expenditure on the product.
- B A fall in price will bring about an increase in sales but a fall in total expenditure on the product.
- C As the price rises, total expenditure on the product will stay the same.
- D As the price rises, total expenditure on the product will rise and then fall.