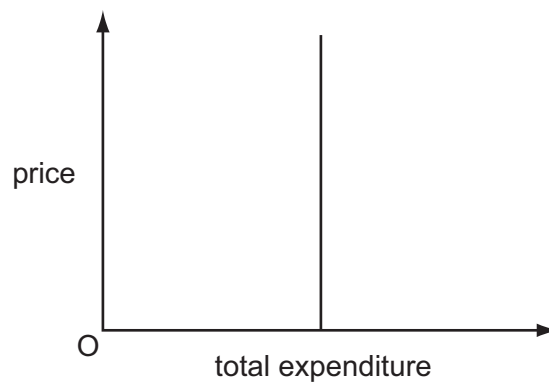


- 8 The diagram shows the relationship between the price and the total expenditure on a good.



Which statement is correct?

- A The income elasticity of demand for the commodity is unity.
  - B The income elasticity of demand for the commodity is zero.
  - C The price elasticity of demand for the commodity is unity.
  - D The price elasticity of demand for the commodity is zero.
- 9 The table gives an individual's demand for four goods at two income levels.
- Over this range of income, for which good does the individual have an income elasticity of demand = 1?

| good | income level |        |
|------|--------------|--------|
|      | \$1000       | \$1100 |
| A    | 50           | 50     |
| B    | 50           | 55     |
| C    | 50           | 60     |
| D    | 50           | 100    |