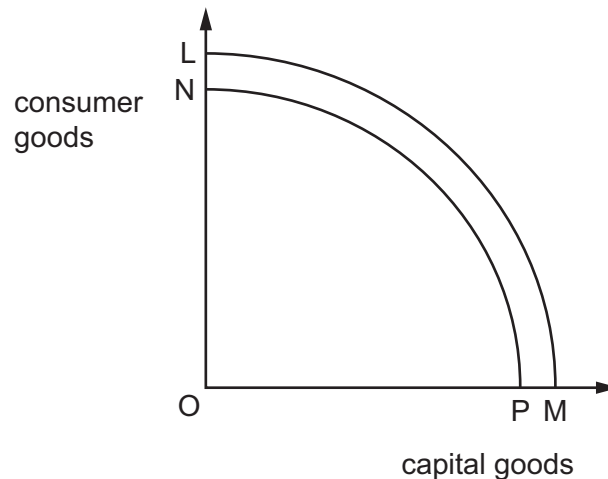
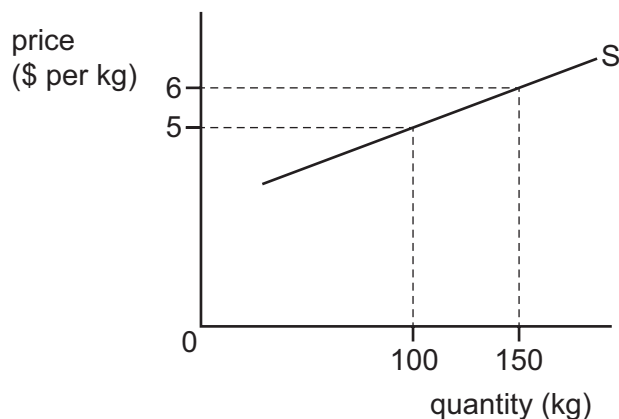


- 4 In the diagram the original production possibility curve is LM.



What could cause the curve to shift to NP?

- A a fall in the working population
 - B a reallocation of resources from consumer goods to capital goods
 - C an increase in output per worker
 - D an increase in unemployment
- 5 The diagram shows the supply curve for bananas.



What is the price elasticity of supply when there is a rise in price from \$5 to \$6?

- A -2.5
 - B +0.4
 - C +2
 - D +2.5
- 6 What causes an inelastic market supply curve for an agricultural crop such as wheat?
- A a government decision to import crops at times of shortage
 - B an efficient use of fertilisers causing crop production to rise
 - C the storage of excess production for future sale
 - D the very long time required to produce additional output