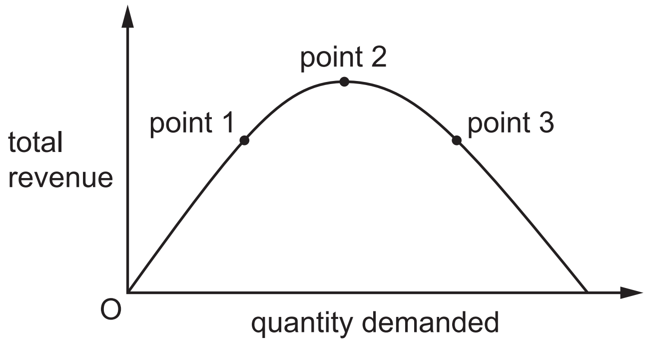
8 Goods X and Y are complements with a cross-elasticity of demand of –0.8.

When the price of good X was \$10, the quantity of good Y demanded was 2000 units per week. After a change in the price of good X, the demand for good Y increases to 2800 units per week.

What is the new price of good X?

A \$5.00 **B** \$6.80 **C** \$13.20 **D** \$15.00

9 The diagram shows an industry's total revenue when different quantities are demanded.



Which values should be inserted at points 1, 2 and 3 to identify the price elasticity of demand (PED) at that position?

	point 1	point 2	point 3
A	PED>1	PED=0	PED<1
B	PED>1	PED=1	PED<1
C	PED<1	PED=0	PED>1
D	PED<1	PED=1	PED>1

10 What would increase the price elasticity of supply of a firm's products?

A a decrease in the period of time that stocks can be kept

B a decrease in the time that it takes to produce the products

C an increase in the cost of capital goods employed by the firm

D an increase in the level of employment in the area