

- 10 The table gives estimates of the price elasticities and cross-elasticities of demand for bus and rail travel.

service	elasticity with respect to the price of:	
	bus travel	rail travel
bus travel	-0.37	+0.13
rail travel	+0.16	-0.43

What would be the change in the volume of rail travel resulting from a 1% increase in bus fares?

- A** an increase of 0.16 %
- B** an increase of 0.43 %
- C** a reduction of 0.13 %
- D** a reduction of 0.37 %
- 11 The table shows a consumer's expenditure on a range of goods at different levels of income.

For which good does the consumer have an income elasticity of demand greater than zero, but less than one?

good	consumer's income (\$)		
	40	50	100
	consumer's expenditure (\$)		
A	10	18	40
B	10	11	20
C	10	10	10
D	10	8	6

- 12 Which of the supply curves shown in the diagram has unitary price elasticity?

