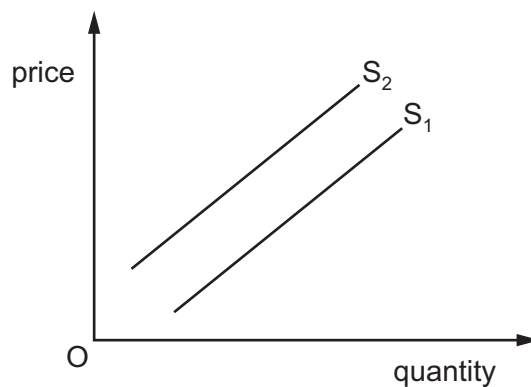


- 4 An individual buys a ticket to visit a government-owned art gallery.

How would this visit be classified by an economist?

- A private and demerit good
- B private and merit good
- C public and demerit good
- D public and merit good

- 5 The diagram shows a shift in a firm's supply curve from S_1 to S_2 .



What may have caused the shift from S_1 to S_2 ?

- A a decrease in the costs of production of the firm
- B a decrease in the popularity of the firm's product
- C a decrease in the subsidy on the good
- D a decrease in the tax on the good

- 6 A change in the price of a good causes an increase in the quantity of the good demanded.

What would be the nature of the good and the direction of price change for this to be certain to happen?

	nature of good	price change
A	inferior	fall
B	inferior	rise
C	normal	fall
D	normal	rise