7 In the diagram, area $OP_1M_1Q_1$ is equal to area $OP_2M_2Q_2$.
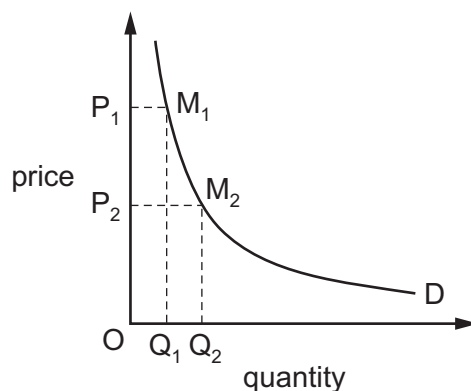

What is the value of the price elasticity of demand if the price is halved from P_1 to P_2?

A zero

B −0.5

C −1

D infinity

8 Four firms supply the market. The market supply is 50 units at $20 and 100 units at $40. The table shows the market share of each firm at the two prices.

Which firm does **not** have a normal upward-sloping supply curve?

	market share (%) at $20	market share (%) at $40
A	10%	10%
B	20%	50%
C	30%	20%
D	40%	20%

9 The price of a good doubles but firms are able to increase production by only 10%.

This is an example of

A excess supply.

B inelastic supply.

C market disequilibrium.

D market failure.