

- 9 Which statement correctly describes the shape of the demand curve for a normal good?
- A It shows an inverse relationship between income and quantity demanded.
  - B It shows an inverse relationship between the price of the good and quantity demanded.
  - C It shows a positive relationship between the price of the good and quantity demanded.
  - D It shows a positive relationship between income and quantity demanded.
- 10 Why does the basic economic problem of scarcity apply to both the rich and the poor?
- A The choices people make are not dependent on income inequalities.
  - B Consumers pay the same prices for goods and services to satisfy their wants.
  - C Human wants exceed what can be produced from available resources.
  - D Natural resources are unevenly distributed amongst nations.
- 11 Butter and buttermilk are goods in joint supply. Supply curves in both markets slope upwards to the right. Health concerns cause people to reduce their consumption of butter.

What are the initial consequences of this for supply in the markets for butter and buttermilk?

	supply of butter	supply of buttermilk
<b>A</b>	move left along supply curve	move left along supply curve
<b>B</b>	move left along supply curve	shift left of the supply curve
<b>C</b>	shift left of the supply curve	move left along supply curve
<b>D</b>	shift left of the supply curve	shift left of the supply curve