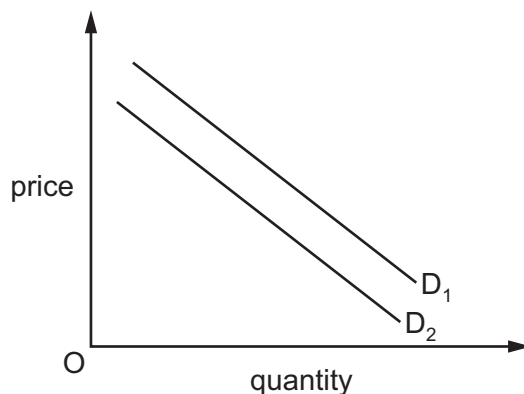


- 5 The diagram shows the demand for air travel in Asia.



If air travel is a normal good, what could have caused the shift in the demand curve from  $D_1$  to  $D_2$ ?

- A a fall in employment in Asia
  - B a fall in the price of aviation fuel
  - C an increase in road congestion
  - D an increase in the price of train travel
- 6 What will **not** cause a shift in the market supply curve of a commodity?
- A a change in technology
  - B a rise in the price of a factor input
  - C a rise in the price of the commodity
  - D the introduction of a specific tax on the commodity
- 7 A government imposes a tax on a good. The equilibrium price rises by the same amount as the tax.

What can be concluded about the price elasticity of demand for the good?

- A It is perfectly elastic.
- B It is perfectly inelastic.
- C It is unitary.
- D Nothing can be determined about price elasticity of demand.