

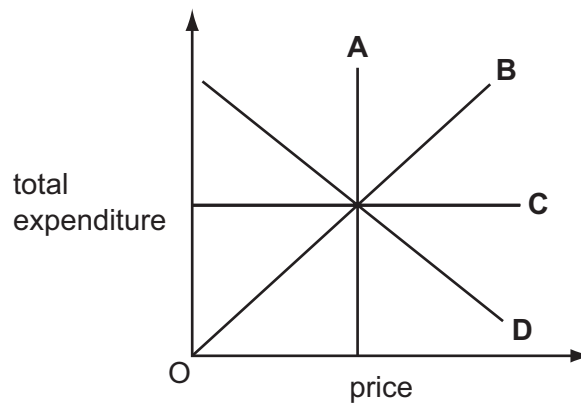
- 6 There are three firms (X, Y and Z) supplying a market. The table shows their supply at four different prices.

price (\$)	firm X's supply	firm Y's supply	firm Z's supply
10	50	40	10
20	60	60	20
30	85	80	35
40	120	100	55

Which price change is required for market supply to double?

- A** \$10 to \$20 **B** \$10 to \$30 **C** \$20 to \$30 **D** \$20 to \$40
- 7 The price elasticity of demand for a product is constant and equal to unity.

Which curve in the diagram shows the relationship between total expenditure on the product and its price?



- 8 The price of good X rises by 20%. As a result, the demand for a substitute good Y rises by 10%.

What is the cross-elasticity of demand for good Y with respect to good X?

- A** +2 **B** +0.5 **C** -0.5 **D** -2