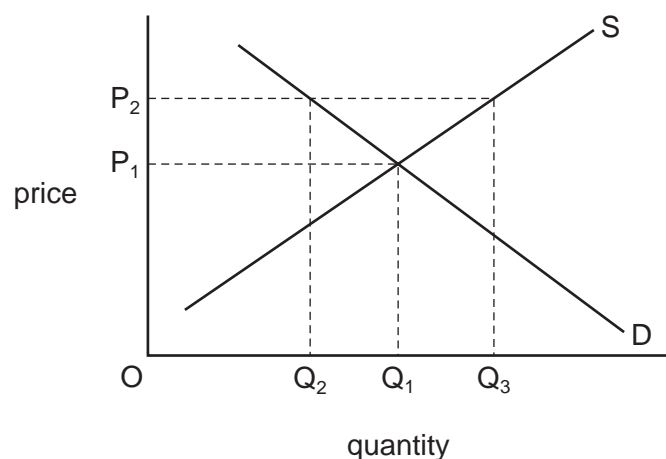


- 9 The table gives information about the market for two models of car.

| model | number of cars sold per week | cross elasticity of demand with respect to the price of petrol |
|---------|------------------------------|--|
| 1200 cc | 10 000 | -0.25 |
| 2000 cc | 5 000 | -0.50 |

If the prices of the cars remain unchanged, but the price of petrol increases by 100 %, what will be the effect on the number of cars sold per week?

- A increase by 5000
 - B no change
 - C decrease by 5000
 - D decrease by 15 000
- 10 In 2008 a disease killed a significant number of sheep used to produce wool.
- How would the short-run effect be shown on a demand and supply diagram for wool?
- A a movement down the existing supply curve
 - B a movement up the existing supply curve
 - C a shift to the left of the supply curve
 - D a shift to the right of the supply curve
- 11 The government imposes a maximum price of P_2 on a product.



What will be the position after this action?

- A an equilibrium with price P_1 and quantity Q_1
- B an equilibrium with price P_2 and a quantity between Q_2 and Q_3
- C an oversupply in the market by Q_2Q_3
- D a shortage in the market of Q_2Q_3