

4 What is **not** an essential characteristic of money?

- A** It must have intrinsic value.
- B** It must be generally acceptable as a means of settling debts.
- C** It must serve as a unit of account.
- D** It must be limited in supply.

5 The demand for a product is affected by a number of influences.

What will cause a movement along its demand curve?

- A** a rise in consumers' income
- B** a rise in the popularity of the product
- C** a rise in the population
- D** a rise in the price of the product

6 Good X is a substitute for good Y and a complement to good Z.

What would happen after a fall in the price of good X?

- A** Only the demand for X will rise.
- B** Demand for X, Y and Z will rise.
- C** Demand for Y will fall and for Z will rise.
- D** Demand for Y will rise and for Z will fall.

7 A good has unitary price elasticity of demand and at a price of \$25 it sells 100 000 units.

Which price must the firm charge if it wants to sell 125 000 units of the good?

- A** \$22
- B** \$20
- C** \$18
- D** \$15