

- 8 Good X is related to good Y. Incomes increase and the price of good Y falls.

Which combination would give the greatest increase in demand for good X?

	nature of good X	relationship between good X and good Y
<b>A</b>	inferior good	complements
<b>B</b>	inferior good	substitutes
<b>C</b>	normal good	complements
<b>D</b>	normal good	substitutes

- 9 What must be correct when the free market for a good is in disequilibrium?

- A** Consumers can buy all of the good that they demand at the market price.
- B** Producers can sell all of the good that they supply at the market price.
- C** The market price of the good will not change.
- D** The quantity of the good demanded differs from the quantity supplied.

- 10 A power station burns waste to produce electricity. This also produces a by-product of fertiliser for farmers.

What is the effect in the fertiliser market of an increase in the demand for electricity?

- A** The price of fertiliser falls and the quantity demanded rises.
- B** The price of fertiliser falls and the quantity supplied falls.
- C** The price of fertiliser rises and the quantity demanded falls.
- D** The price of fertiliser rises and the quantity supplied rises.

- 11 The table shows the supply and demand for avocados in Mexico City.

price per kilogram (\$)	quantity demanded per day (kg)	quantity supplied per day (kg)
45	170	230
40	190	190
35	210	150
30	230	110

As a result of lower transport costs, supply rises by 60 kg at all prices.

What is the new equilibrium price?

- A** \$45
- B** \$40
- C** \$35
- D** \$30