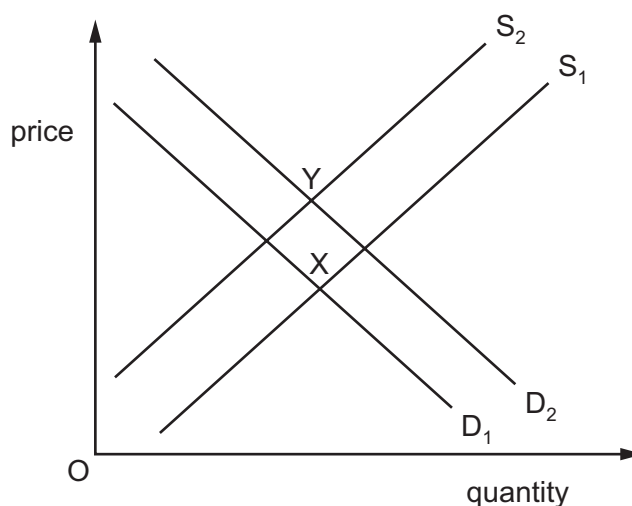


10 The diagram shows the market for new houses.



What would cause the change in the market equilibrium position from X to Y?

- A a fall in income tax and a rise in building costs
- B a fall in interest rates and increased efficiency in house-building
- C a fall in population and a rise in the price of building land
- D a rise in building subsidies and a fall in incomes

11 Jam and honey are substitutes. Honey and beeswax are in joint supply.

Other things being equal, what will be the result of an increase in the price of jam?

	price of honey	price of beeswax
A	fall	fall
B	fall	rise
C	rise	fall
D	rise	rise

12 For price to act as a rationing mechanism for a final product, the effect of a rising price must be to

- A attract new firms into the market.
- B generate additional profits for producers.
- C reduce the quantity demanded by some individuals.
- D signal the need for redeployment of labour.