

11 The diagram shows a supply curve.



Which statement describes the price elasticity of supply along this curve?

- A It diminishes as quantity increases.
- B It is constant and greater than unity at all quantities.
- C It is constant and less than unity at all quantities.
- D It increases as quantity increases.

12 The table shows a competitive market in equilibrium in two periods.

period	market price	quantity traded
1	50 cents	10 000 units
2	60 cents	12 000 units

What could explain the change from period 1 to period 2?

- A an increase in the price of a complement
- B an increase in the price of a substitute
- C the imposition of a minimum price of 60 cents by a government
- D the imposition of an indirect tax on suppliers

13 A country experiences a very wet and cold summer.

How might this affect the price of umbrellas and the price of ice creams?

	price of umbrellas	price of ice creams
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase