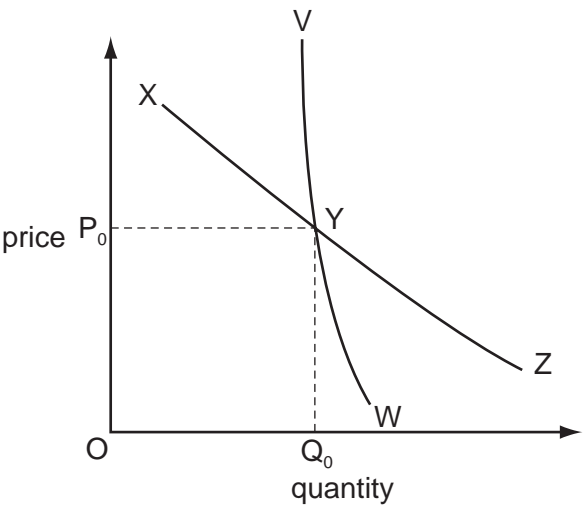


- 5 The diagram shows a consumer's short-run and long-run demand curves for coconuts. Initially, the consumer purchases quantity Q_0 at price P_0 .



If the price of coconuts increases from P_0 , the consumer's short-run response is greater than his long-run response. If the price decreases from P_0 his short-run response is smaller than his long-run response.

What is the consumer's short-run demand curve?

- A** VYW **B** VYZ **C** XYZ **D** XYW
- 6 The table shows a consumer's expenditure on a range of goods at different levels of income.

For which good does the consumer have an income elasticity of demand greater than zero, but less than one?

good	consumer's income (\$)		
	40	50	100
	consumer's expenditure (\$)		
A	10	18	40
B	10	11	20
C	10	10	10
D	10	8	6