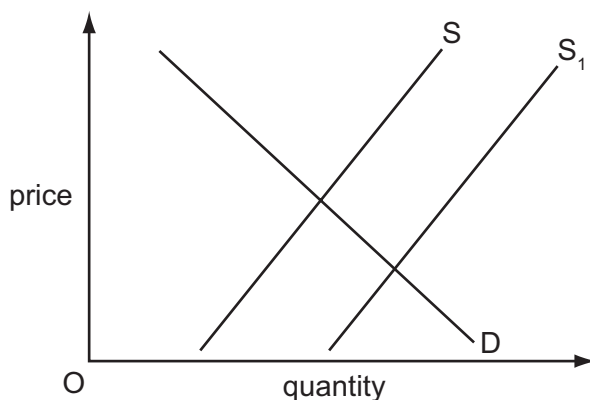


- 8 In the diagram D and S are the demand and supply curves of a good.



What could cause the supply curve to shift in the short run to  $S_1$ ?

- A** a change in consumer preferences
  - B** a decrease in the price of a complementary good
  - C** a fall in the cost of raw materials
  - D** a government warning that consumption of the good can damage health
- 9 A refinery which processes oil into petrol (gas) is faced with the following conditions.
- 1 It is working at full capacity.
  - 2 Its petrol storage tanks are full.
  - 3 It has received delivery of a new fleet of petrol tankers to transport its petrol.
  - 4 It requires six months to train new workers to qualify in safety procedures.

Which of the conditions will tend to make the supply of petrol relatively price inelastic?

- A** 1 and 2      **B** 1 and 4      **C** 2 and 3      **D** 3 and 4