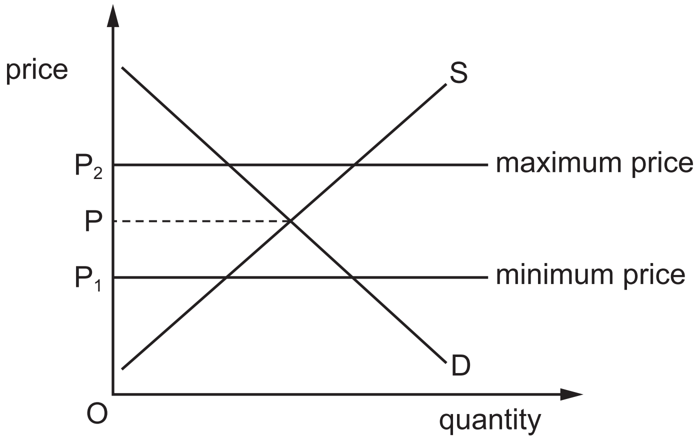
9 The diagram shows the market for a good.



If the government imposes a minimum price at OP_1 and maximum price at OP_2 what would happen?

A The price will be unchanged at OP.

B The price will fall to OP_1.

C The price will rise to OP_2.

D There will need to be rationing by the government.

10 Two goods, X and Y, have a cross elasticity of demand of +1.8. Good Y has an income elasticity of demand of –0.6.

An increase in both the incomes of consumers and the price of good Y will have which combination of effects?

	quantity demanded of X	quantity demanded of Y
A	fall	fall
B	fall	rise
C	rise	fall
D	rise	rise

11 What is price elasticity of supply?

A the change in the quantity supplied when a price changes

B the change in the quantity supplied when demand changes

C the comparison of the proportionate change in supply to the proportionate change in demand

D the comparison of the proportionate change in supply to the proportionate change in price