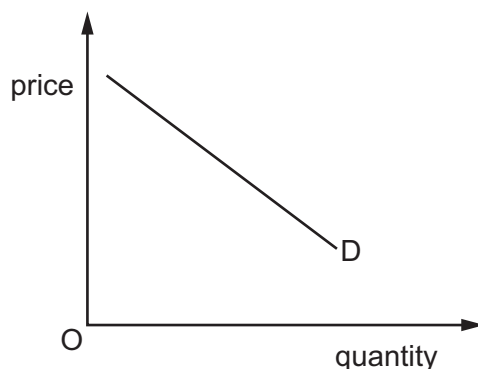


5 When will the demand curve for motorcycles shift to the left?

- A when the price of cars falls
- B when the price of motorcycles falls
- C when the tax on motorcycles rises
- D when the price of public transport rises

6 The diagram shows the demand curve for housing.



What is **not** assumed to remain constant when drawing this curve?

- A consumer incomes
- B expectations about future house prices
- C the price of houses
- D the rate of interest charged on loans for house purchase

7 Which statement defines the price elasticity of supply?

- A It is a measure of how the price of a good responds to a change in the quantity supplied.
- B It is a measure of how the quantity supplied of a good responds to a change in its price.
- C It is a measure of how the supply of a good responds to a change in its cost of production.
- D It is a measure of how the supply of good X responds to a change in the price of good Y.

8 Which products are likely to have a positive cross-elasticity of demand with tea?

- A biscuits and cakes
- B coffee and hot chocolate
- C cups and saucers
- D sugar and milk