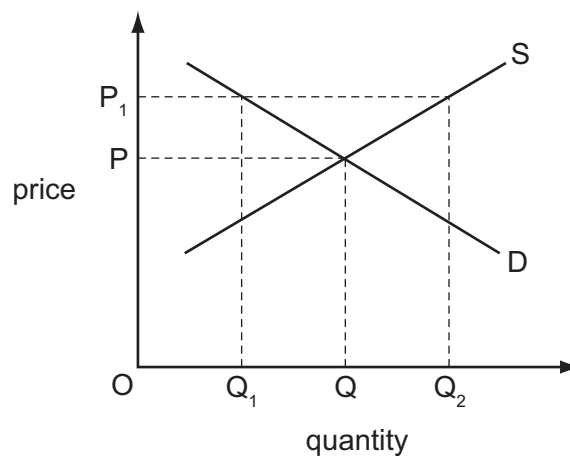


- 9 The table gives estimates of the price elasticities and cross elasticities of demand for bus and rail travel.

service	elasticity with respect to the price of:	
	bus travel	rail travel
bus travel	-0.37	+0.13
rail travel	+0.16	-0.43

What would be the change in the volume of rail travel resulting from a 1 % increase in bus fares?

- A** an increase of 0.16 %  
**B** an increase of 0.43 %  
**C** a reduction of 0.13 %  
**D** a reduction of 0.37 %
- 10 The diagram shows the demand and supply curves for a good.



The government fixed a maximum price of  $OP_1$ .

What would this have achieved?

- A** the guarantee of supplies of  $OQ_2$   
**B** the market equilibrium of quantity  $OQ$   
**C** the need for a government subsidy of  $PP_1$   
**D** the rationing of the product for consumers to  $OQ_1$