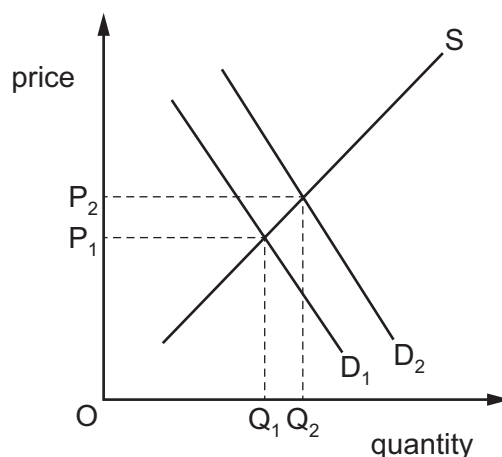


11 What would cause the demand curve for vegetables to shift from D_1 to D_2 as shown?



- A a change in supply from Q_1 to Q_2
- B a poor harvest due to unfavourable weather
- C a price change from P_1 to P_2
- D an increase in real incomes

12 The demand curve for new cars in a country shifted to the left.

Which change could have caused such a shift?

- A an increase in real disposable income
- B an increase in the cost of borrowing
- C an increase in the price of new cars
- D an increase in the price of train travel

13 What is correct about market supply?

- A Market supply can increase only when all individual firms increase their output.
- B Market supply is effective when consumers have sufficient income to buy the good.
- C Market supply is the result of aggregating the supply of all individual firms.
- D Market supply of an inferior good falls as price increases.

14 Which statement best describes a transfer payment?

- A It is a loan from the government to help firms.
- B It is a payment to individuals not linked to economic activity.
- C It is the redistribution of income from government to individuals for work done.
- D It is the redistribution of income from households to firms for goods purchased.