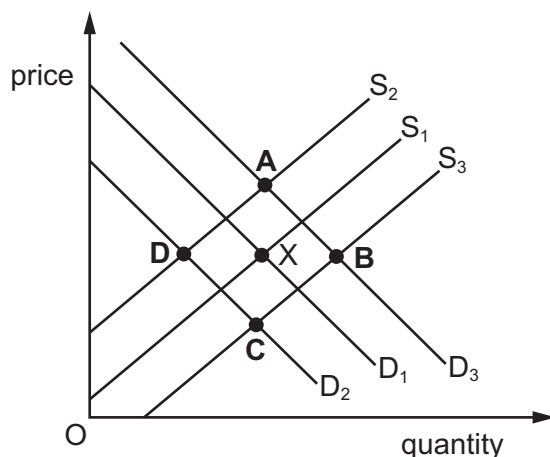


- 9 The diagram shows the original demand curve D_1 and supply curve S_1 for diesel cars in Europe. Point X is the initial equilibrium.

There is a successful advertising campaign by electric car producers and a new unit tax on diesel cars.

What will be the new equilibrium?



- 10 A UK based food company wishes to diversify its product range. To finance this, it has obtained a \$10m loan from a bank to buy land, build and equip a bakery.

What would **not** be classified by an economist as a factor of production?

- A the \$10m loan used to finance the project
 - B the land on which the bakery will be built
 - C the ovens required to bake the bread
 - D the soya used in the making of the bread
- 11 A country's central bank has commissioned a report on the demand for and price of houses.

What might be the **most** likely combination of reasons for an increase in the price and quantity demanded of houses?

	incomes	interest rates	wages of bricklayers
A	down	unchanged	up
B	down	up	unchanged
C	unchanged	up	down
D	up	down	unchanged