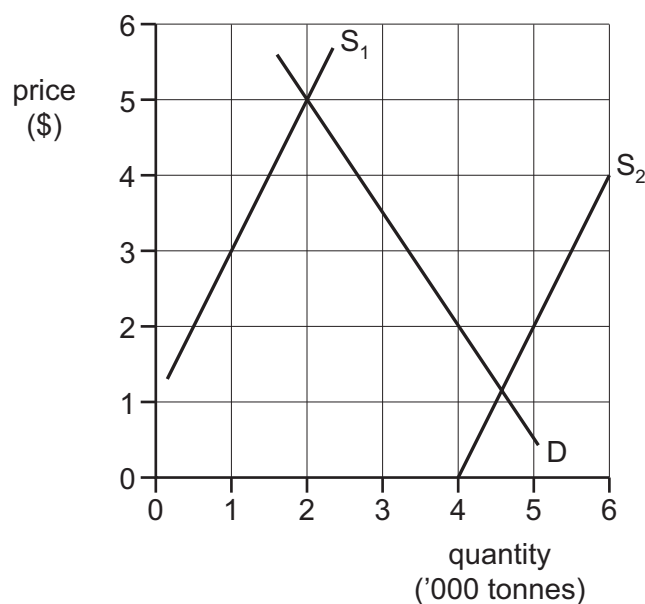


- 5 In the diagram, D is the demand curve for an agricultural commodity and S_1 is the initial supply curve. A good harvest causes the supply curve to shift to S_2 .



By how much will the demand curve have to shift to leave farm incomes unchanged?

- A 500 tonnes at all prices
 - B 1000 tonnes at all prices
 - C 2000 tonnes at all prices
 - D 4000 tonnes at all prices
- 6 A manufacturer progressively reduces the price of his product.

The table shows the outcome of this policy.

price (\$)	total revenue 000s (\$)
10	750
9	750
8	750

What is the price elasticity of demand for the product?

- A perfectly inelastic
- B relatively inelastic
- C perfectly elastic
- D unitary