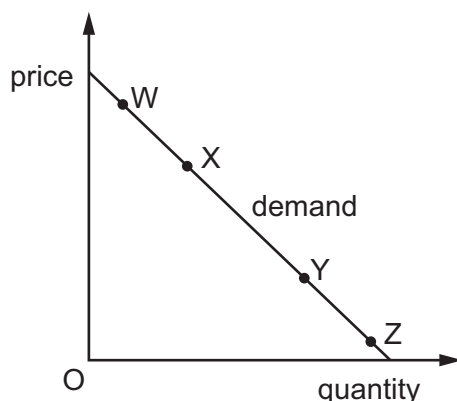


12 What does the assumption '*ceteris paribus*' mean when economists analyse the way in which the quantity demanded of a good changes?

- A** Changes in quantity demanded can cause changes in any of the other variables.
- B** Consumer preferences are always assumed to remain unchanged.
- C** Only one variable is assumed to change while the others remain the same.
- D** Several variables change simultaneously.

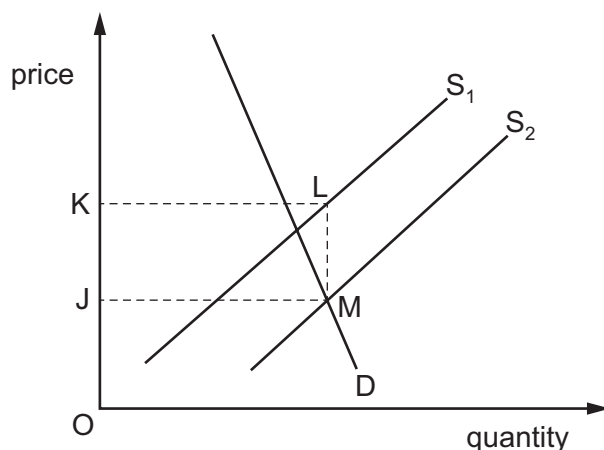
13 The diagram shows the demand curve for a normal product.



Which two points indicate a move from a price inelastic point to a less price inelastic point?

- A** W to X
- B** X to W
- C** Y to Z
- D** Z to Y

14 The diagram shows the effect on the market for rice of a change in government policy that causes a shift in the supply curve from S_1 to S_2 .



What does the area JKLM represent?

- A** the cost to the government of a subsidy to rice growers
- B** the extra saving to importers of the removal of a tariff on rice
- C** the increase in consumer surplus from the introduction of a maximum price for rice
- D** the loss in government revenue from the reduction in a lump sum tax on rice