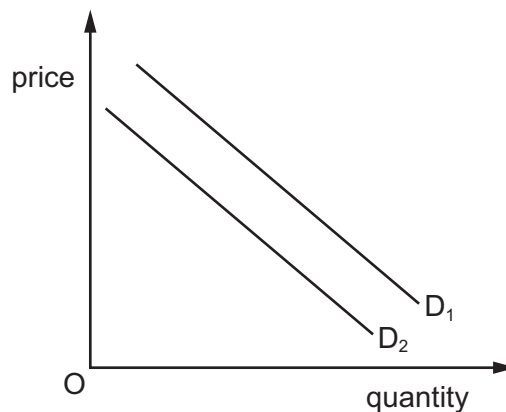


8 How is the market supply of a product in a competitive market obtained?

- A** by aggregating the supply of all firms producing the product
- B** by averaging the supply of all firms producing the product
- C** by calculating the supply of the typical firm producing the product
- D** by estimating the supply of the largest firm producing the product

9 The diagram shows the demand curve for luxury cars.



The shift in the demand curve D_1 to D_2 can be explained by

- A** a decrease in air travel.
- B** an increase in advertising by luxury car manufacturers.
- C** an increase in income.
- D** an increase in the price of petrol.

10 What is cross elasticity of demand?

- A** the responsiveness of price of good X due to a change in demand of good Y
- B** the responsiveness of quantity demanded of a good due to a change in its price
- C** the responsiveness of quantity demanded of good X due to a change in quantity of good Y
- D** the responsiveness of quantity demanded of good X due to a change in the price of good Y