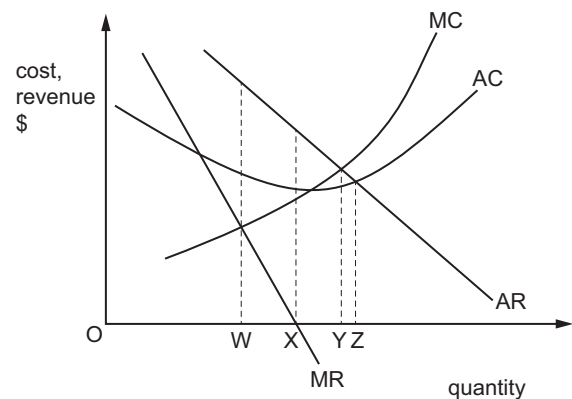


- 1 What is likely to lead to the principal-agent problem?
- A a manager of a business makes decisions on behalf of the owner
 - B music festival tickets are purchased by a person who intends to sell them at a large profit
 - C the government is the only buyer of a pharmaceutical product
 - D there is only one firm that manufactures the product
- 7 The diagram shows the cost and revenue curves of a firm.



The firm changes its objective from revenue maximisation to sales maximisation.

What will be the effect on quantity produced?

- A it will decrease from Y to W
 - B it will decrease from Z to W
 - C it will increase from X to Y
 - D it will increase from X to Z
- 9 What is the essential feature of nudge theory?
- A the aim of satisficing
 - B the establishing of a legal requirement
 - C the existence of a contestable market
 - D the idea of persuasion