

9 The table shows the weekly demand for, and supply of, good X at three prices.

price (\$)	demand (tonnes)	supply (tonnes)
20	16	10
30	12	12
40	10	14

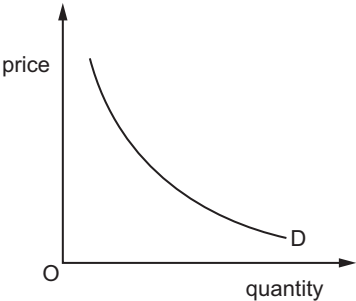
What will be the effect if the government imposes a minimum price of \$40 per tonne?

- A a fall in the price of X
- B a shortage of X
- C a surplus of X
- D no change in the market equilibrium

10 What is the function of money when it is used to value goods and record transactions?

- A a medium of exchange
- B a standard of deferred payment
- C a store of wealth
- D a unit of account

6 The diagram shows the demand curve for a good.



What can be concluded about a single downward-sloping demand curve?

- A consumers increase demand when their incomes rise
- B consumers plan to buy less when prices rise
- C firms produce less as prices rise
- D firms sell more when prices rise

7 The price of fish has increased from \$3.00 to \$4.80. The quantity supplied of fish has increased from 100 units to 130 units.

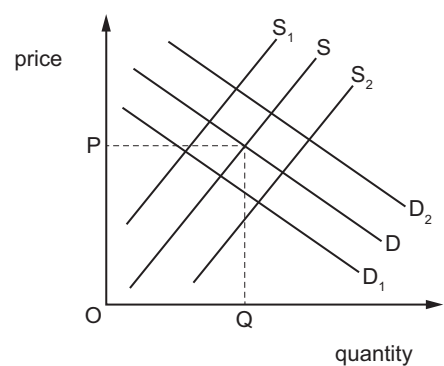
What is the price elasticity of supply (PES) of fish?

- A 0.5
- B 1.3
- C 1.8
- D 2

2 Some markets in Belgium are in equilibrium. The country produces a wide range of goods and services with different degrees of price elasticity of demand. The Belgian Government wants the economy to move to a production possibility point beyond its current production possibility curve (PPC). Belgium's scientific industry is one industry which is doing well. Workers in this industry are highly specialised.

- (a) Define *market equilibrium*. [2]
- (b) Explain **two** ways an economy could reach a point outside its current PPC. [4]
- (c) Analyse how price elasticity of demand can influence a firm's pricing decisions. [6]
- (d) Discuss whether or not firms benefit from their workers undertaking training. [8]

6 The diagram shows demand and supply curves for a product at its equilibrium price P.



How would the introduction of a subsidy be shown?

- A Demand would shift to D₁.
- B Demand would shift to D₂.
- C Supply would shift to S₁.
- D Supply would shift to S₂.

5 The table shows the quantity of coffee demanded per day and the quantity supplied per day.

price (\$) per kilo	demand (kilos)	supply (kilos)
12	16	26
11	18	23
10	20	20
9	22	17
8	24	14
7	26	11

At the equilibrium price, what will be the total expenditure on coffee?

- A \$10
- B \$20
- C \$200
- D \$400

5 The table shows the demand and supply schedules for rice. The current price is \$2.00 per kilo.

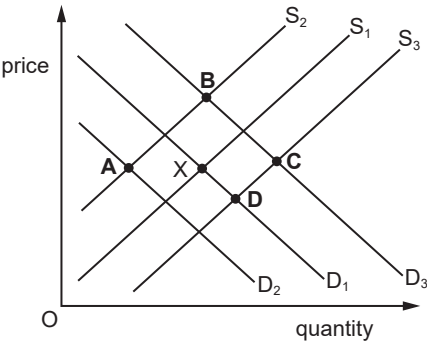
price per kilo \$	quantity demanded (million tonnes)	quantity supplied (million tonnes)
2.50	5	30
2.00	10	25
1.50	20	20
1.00	30	15
0.50	40	10

What will happen if the price is reduced to \$1.00 per kilo?

- A The demand curve will shift to the left.
- B The market will move from shortage to surplus.
- C The market will move from surplus to shortage.
- D The supply curve will shift to the right.

6 The diagram shows demand and supply curves for a good. The market is in equilibrium at point X.

What would be the new equilibrium position if there were a successful advertising campaign for the good and an increase in the cost of raw materials?



6 The diagram shows the demand for and supply of a product. The original equilibrium is at X.

Which point indicates the new equilibrium position if there is an increase in the price of a close substitute for the product while other things remain the same?

