6 Which factor affects the price elasticity of supply of a product?

A availability of stocks

B percentage of income spent on the product

C price of substitutes

D wage rate

A-Level Economics: **s25 11**

8 What would best explain why the price elasticity of supply (PES) is likely to be lower for fresh vegetables grown within a country compared to the PES of goods manufactured in that country?

A Alternative supplies can be flown in from foreign producers.

B A positive price change encourages a positive output change along the supply curve.

C Fresh vegetables has a horizontal supply curve.

D There is a seasonal time lag involved in planting and harvesting more fresh vegetables.

A-Level Economics: **Specimen 1**

8 A firm establishes that the price elasticity of supply of its product has a value of 0.3.

What is likely to be true about the firm?

A It has unused productive capacity.

B It has a lot of stock of its product.

C It uses a high proportion of perishable raw materials.

D It uses factors of production that are easily substituted.