

Solutions

Each answer shows the steps, then the **result**.

2.1

- as the price of a good rises, the quantity demanded falls (other things equal)

2.2

- a movement along the demand curve

2.3

- any three of: income, tastes, prices of related goods, expectations, number of buyers

3.1 B

3.2 A

3.3

(a)

- it falls (a movement up the demand curve)

(b)

- demand for tea rises

(c)

- a substitute