Solutions

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

2.1

- it causes a shortage (quantity demanded exceeds quantity supplied)

2.2

- the more inelastic side

2.3

- the price buyers pay rises and the quantity traded falls

3.1 B

3.2 B

3.3

(a)

- buyers (demand is more inelastic)

(b)

- it falls only a little

(c)

- deadweight loss