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?

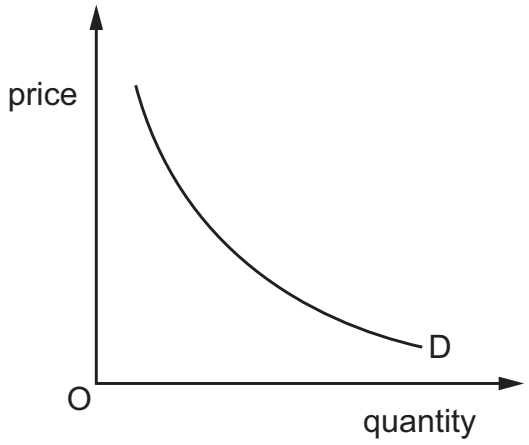
A a medium of exchange

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

Name:

IGCSE Economics: **w25 13**

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

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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]

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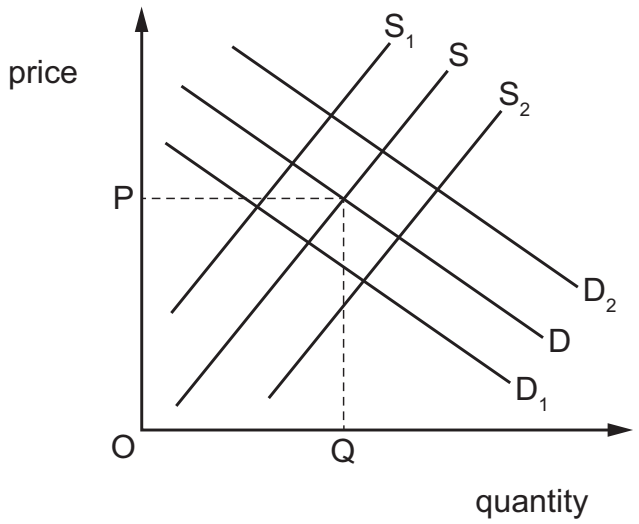
6 The diagram shows demand and supply curves for a product at its equilibrium price P.



How would the introduction of a subsidy be shown?

A Demand would shift to D_1.

B Demand would shift to D_2.

C Supply would shift to S_1.

D Supply would shift to S_2.

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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

IGCSE Economics: **s25 13**

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.

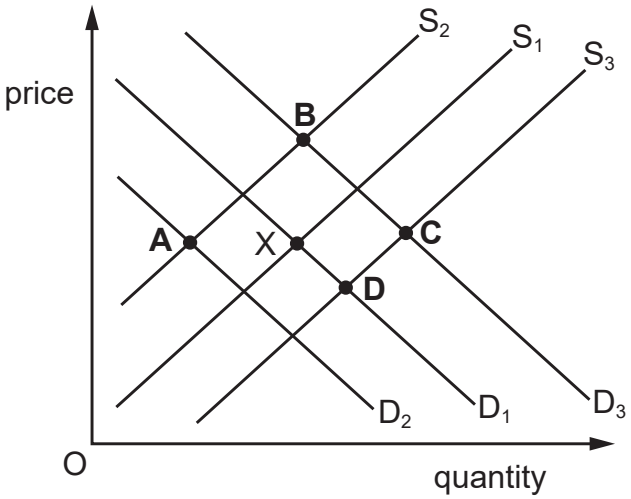
C The market will move from surplus to shortage.

D The supply curve will shift to the right.

IGCSE Economics: **m25 12**

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?



IGCSE Economics: **w24 11**

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?