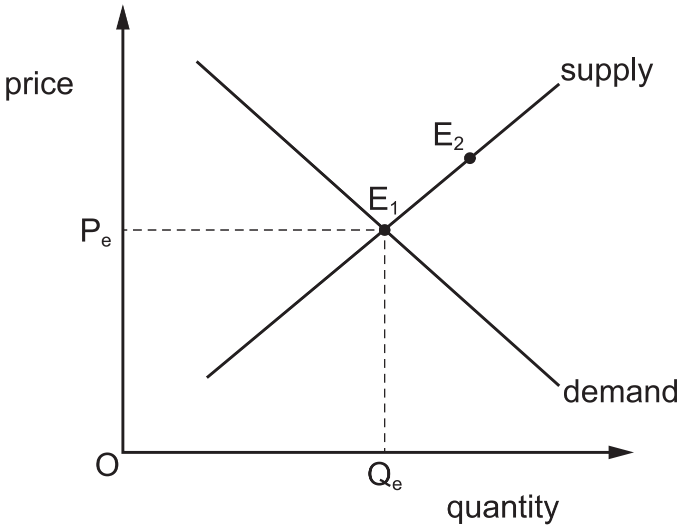
5 The diagram shows the supply and demand curves for a good. The initial market equilibrium is given at point E_1. There is a change in the market that leads to a new equilibrium at E_2.



What is the cause of the change in the market equilibrium?

A a decrease in the price of a substitute good

B a decrease in raw material prices

C an increase in the price of a substitute good

D an increase in raw material prices

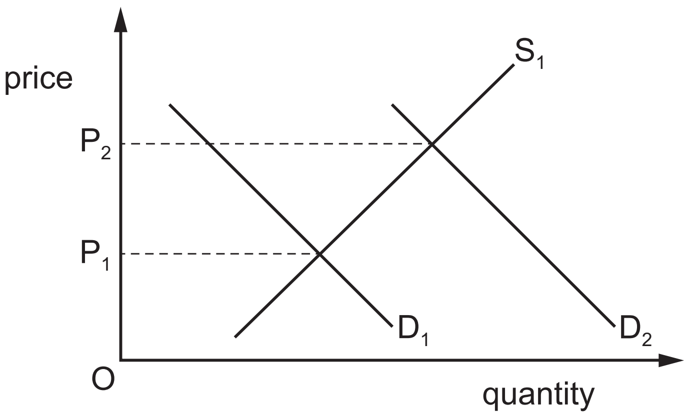
IGCSE Economics: **s25 11**

5 Good weather results in an increase in the demand for and supply of peaches.

How will this affect the price and quantity traded in the market for peaches?

	price of peaches	quantity of peaches traded
A	fall	fall
B	rise	rise
C	rise	uncertain
D	uncertain	rise

7 The diagram shows the market for ice cream and the effects of very hot weather.



If prices had remained at P_1 even during the hot weather, what was likely to have happened in the market for ice cream?

A equilibrium

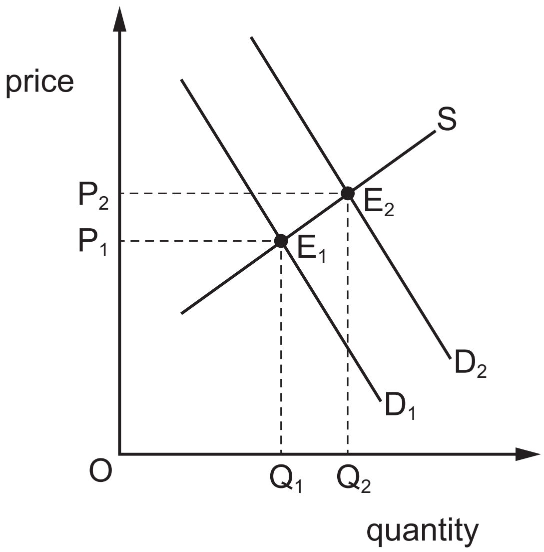
B excess supply

C rising profits

D shortage

IGCSE Economics: **s25 13**

6 The diagram shows the market for cherries in Chile.



What would cause a change in the market equilibrium from E_1 to E_2?

A a newspaper article stating cherries are good for your health

B a poor harvest for cherries due to bad weather

C an increase in the imports of cherries from Israel

D the government reducing the sales tax on cherries

4 A period of bad weather leads to a failure of the rice crop.

What is the effect on the market for rice?

A a shortage of rice and a fall in its price

B a shortage of rice and a rise in its price

C a surplus of rice and a fall in its price

D a surplus of rice and a rise in its price

IGCSE Economics: **s24 11**

6 What could cause the price of tea to increase?

A decrease in the demand for tea

B decrease in the price of a substitute good

C increase in the price of a substitute good

D increase in the supply of tea