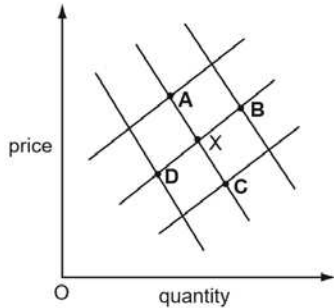


PRICE-MARKET EQUILIBRIUM

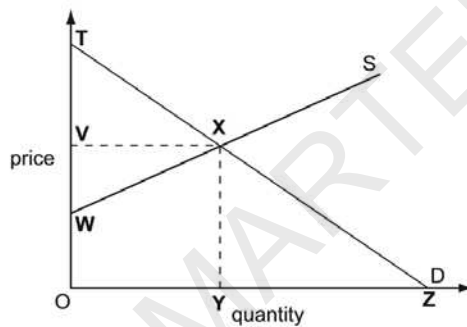
The graph shows the market for rice. It was in equilibrium at X. Later, there is a very good harvest of rice.

What is the new equilibrium point?



C

The diagram shows a market for wheat that is in equilibrium.

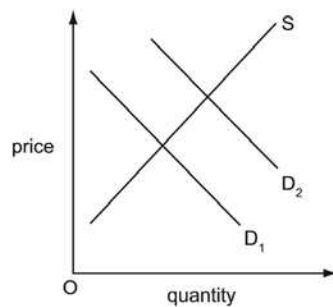


Which area represents the total revenue for wheat farmers?

- A OTXY B OVXY C OVXZ D OWXY

B

The graph shows the market for bread.



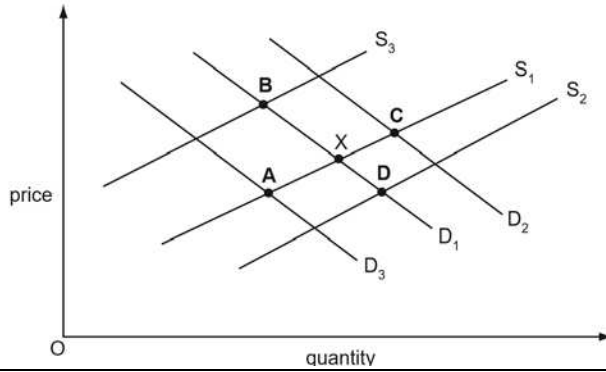
Which of the following might have caused a change in demand from D_1 to D_2 ?

- A a fall in the cost of producing bread
 B a fall in the price of an alternative to bread
 C a newspaper report that eating bread is healthy
 D a rise in price of a complement to bread

C

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 commodity while other things remain the same?

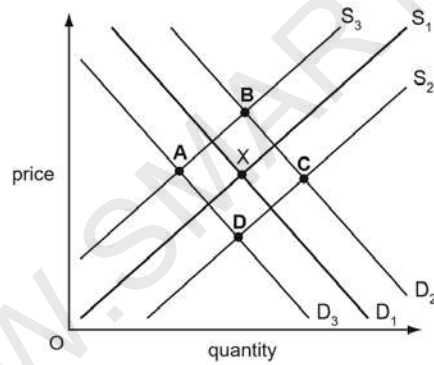


C

The diagram shows the demand for and supply of a firm's product. The original equilibrium is at X.

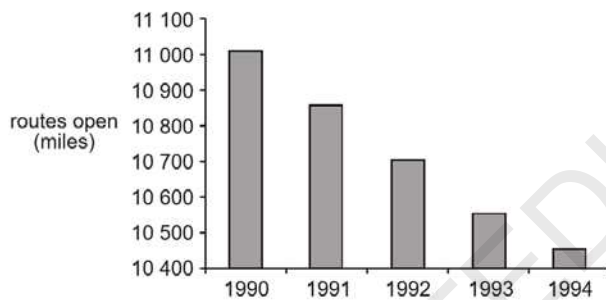
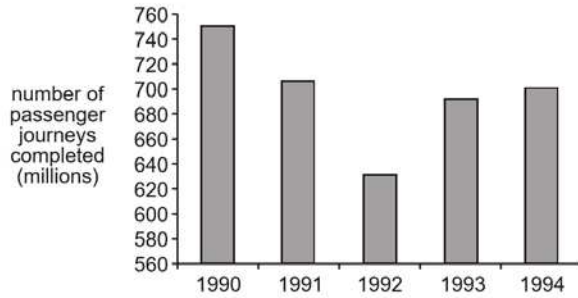
The firm pays for a successful advertising campaign.

What is the new equilibrium?



B

The charts show the number of railway passenger journeys made and the miles of route open.



What can be concluded from the charts?

- A** The overall trend in passenger journeys between 1990 and 1994 was upwards.
- B** The routes had more people travelling on them in 1994 than in 1992.
- C** The revenue of the railway decreased between 1990 and 1994.
- D** There were more trains running in 1994 than in 1992.

B

The major oil producers sometimes try to raise the price of oil.

How would this be shown on a demand and supply diagram?

- A** a movement along the demand curve to the right
- B** a shift in the supply curve to the right
- C** a shift in the demand curve to the left
- D** a shift in the supply curve to the left

D