

# 2.3 Demand

## Question Paper

Course	CIE IGCSE Economics
Section	2. The Allocation of Resources
Topic	2.3 Demand
Difficulty	Medium

**Time allowed:** 10  
**Score:** /6  
**Percentage:** /100

### Question 1

A market consists of 10 individuals with different demand curves in a given period.

What is a calculation that could be used as part of the process to determine the market equilibrium in that period?

- A. at each price add the quantities demanded by each individual
- B. at each quantity average the price that each individual is prepared to pay
- C. combine the price elasticity of demand (PED) and the price elasticity of supply (PES) at each price
- D. determine the PED and multiply it by the quantity demanded

[1 mark]

### Question 2

The table shows the sales of cold drinks made by a company in the UK in 2016 and 2017.

Demand for cold drinks is influenced by changes in the temperature. In 2016 the sales followed the usual seasonal pattern.

month	sales 2016 (thousand cans)	sales 2017 (thousand cans)
April	300	290
May	400	350
June	550	270
July	570	490
August	620	590

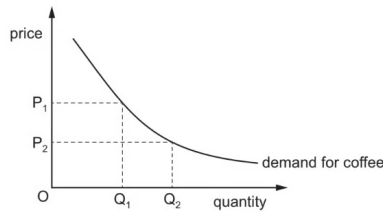
In which month of 2017 was the usual pattern disturbed?

- A. May
- B. June
- C. July
- D. August

[1 mark]

### Question 3

The diagram shows the demand curve for coffee in the US.



Why did the quantity demanded move from  $Q_1$  to  $Q_2$ ?

- A. Coffee became cheaper.
- B. Incomes rose in the US.
- C. There was a successful advertising campaign by coffee retailers.
- D. The price of substitutes for coffee rose.

[1 mark]

### Question 4

The table shows the demand schedule for a good at different prices.

price \$	quantity demanded
8	200
10	160
12	120
14	60

The current market price for the good is \$10.

Following a 20% increase in price, what will be the change in the quantity demanded?

- A. - 60
- B. - 40
- C. +120
- D. +200

[1 mark]

### Question 5

Petrol (fuel) retailers in a country have noticed a sharp increase in sales in August when many people take their holidays.

Why might this take place?

- A. Consumers' demand curve for petrol shifts to the left in August.
- B. Consumers' demand curve for petrol shifts to the right in August.
- C. Oil refineries increase their output in August.
- D. Travel companies increase their hotel prices in August.

[1 mark]

### Question 6

The diagram shows the demand for and the supply of air travel.

What could cause a shift of the demand curve from  $D_1$  to  $D_2$ ?

- A. an increase in airline costs
- B. an increase in airport taxes
- C. an increase in incomes
- D. an increase in worldwide terrorism

[1 mark]