

## Sample Elasticity Questions

2a) Using diagrams, explain how the incidence of an indirect tax may be affected by the price elasticity of demand. (May 2013)(HL)

b) Using diagrams, explain how the incidence of an indirect tax may be affected by the price elasticity of demand. (May 2013)(HL)

3a) Explain why the price elasticity of demand for primary commodities tends to be relatively low while the price elasticity of demand for manufactured products tends to be relatively high. (May 2013)(SL)

b) "The income elasticity of demand for primary products tends to be lower than that for manufactured products and services." Examine the implications of this for producers and for the economy as a whole. (May 2013)(SL)

4a) Explain why the price elasticity of supply (PES) for primary commodities tends to be relatively low, while the PES for manufactured products tends to be relatively high. (May 2014)(HL)^

b) Discuss possible consequences of a government imposing a price floor on an agricultural product. (May 2014)(HL)

6a) Explain three determinants of price elasticity of demand (PED). (Nov 2013)(SL)

b) Examine the role of PED for firms making decisions regarding price changes and their effect on total revenue. (Nov 2013)(SL)

7a) Suggest reasons why the price elasticity of demand for cigarettes might have a different value from the price elasticity of demand for foreign holidays. (SpecPaper)(2013)

b) Examine the usefulness of a knowledge of price elasticity of demand to firms and governments. (SpecPaper)(2013)

8(a) Suggest reasons why the price elasticity of demand for cigarettes might have a different value from the price elasticity of demand for foreign holidays.  
(SpecPaper)(2013)

(b) Examine the usefulness of a knowledge of price elasticity of demand to firms and governments. (SpecPaper)(2013)

