**Revision questions**

35 marks; 35 minutes)

1 Demand up or down?

a) When a substitute good cuts its prices. (1)

b) When a complementary good increases its prices. (1)

2 The giant Procter & Gamble cut its 2014 spend on UK advertising by 9 per cent and switched spending away from TV towards social media. UK sales in 2014 were flat, meaning a slight fall in volume terms. What does this imply about the effect of marketing spending upon demand? (5)

3 In your own words, explain the term 'inferior good' and give your own example. (3)

4 How might demand for UK hotel rooms be affected by a sharp economic downturn in America? (4)

5 Outline three conclusions the chief executive of Tesco might draw from the following United Nations' population forecasts. (6)



6 Use your knowledge of one of the following to explain the two factors you believe are the most important in determining the demand for:

a) Arsenal season tickets

b) Vittel bottled water

c) Vogue magazine

d) KitKat four-finger pack. (4)

7 Suggest one way in which a business could try to estimate the future demand for its brand new product. (3)

8 Examine two possible reasons for the boost to demand outlined in the following quote from Dundee FC website in 2014: (8)

'The Club has been bowled over with the sales of season tickets to date, with an incredible increase of 150 per cent on the same period last year. The Manager and Board of Directors have been delighted by the level of both renewals and new sales ... with 40 per cent of sales being either previously lapsed season ticket holders or supporters buying for the first time.'