

# *The City School*

**Boys Campus North Nazimabad**



1 Firms are keen to know what influences consumers in their buying decisions. Publishing firms in India have researched why people buy particular magazines and have found that the price elasticity of demand for different magazines varies.

- (a) Describe the factors that can affect the demand for a product. [6]
- (b) Explain what is meant by price elasticity of demand. [6]
- (c) Discuss how knowledge of the price elasticity of demand for magazines may be used by a firm which produces and sells magazines. [8]