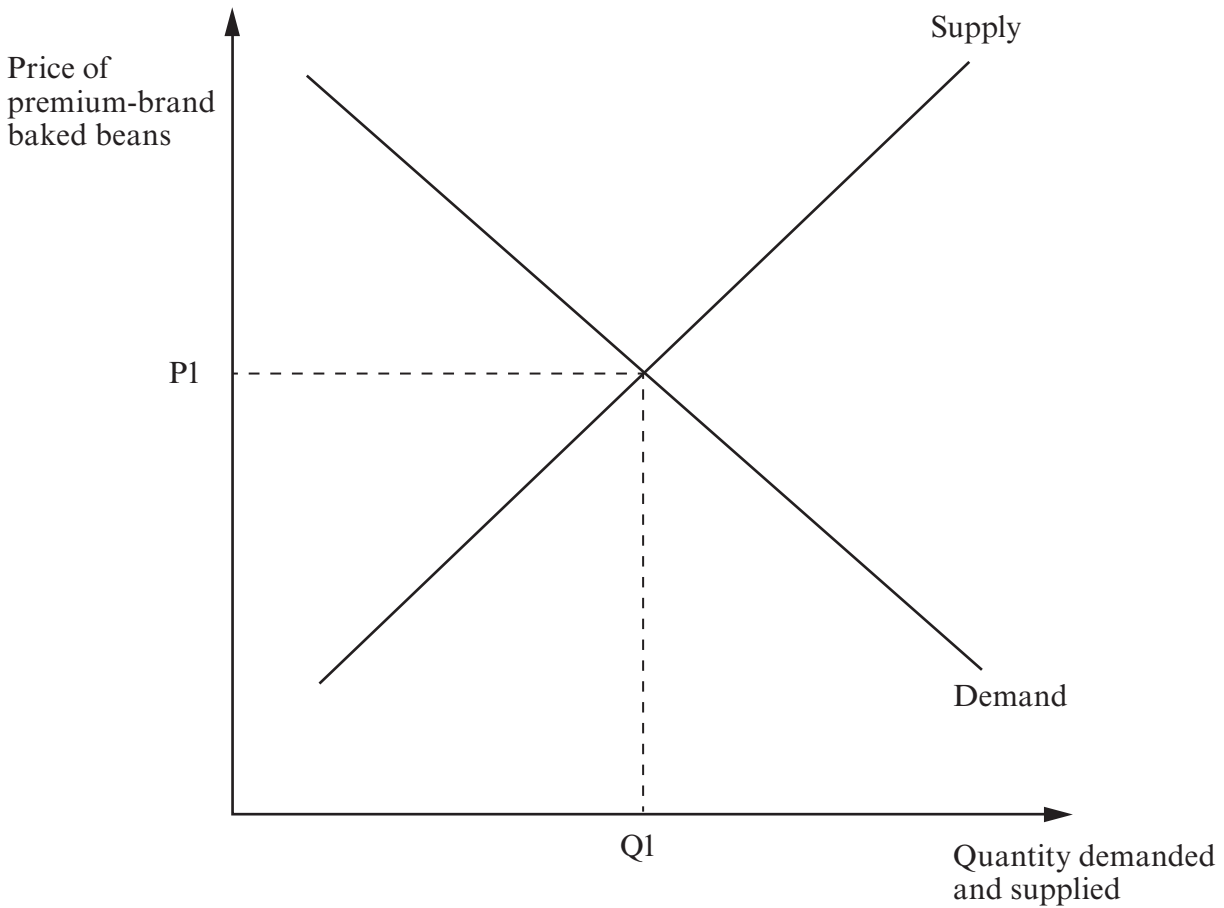


3. The fall in incomes over the past three years is the biggest drop since the 1970s says a report from the Institute for Fiscal Studies. As a result, consumers are changing from buying premium products to cheaper products in the supermarket.

(a) Adapt the diagram below to show the effect of falling incomes on the market for premium-brand baked beans and explain the changes that have taken place. [4]



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(b) Explain what factors, other than the drop in income, might affect the price of premium-brand baked beans. [6]

Examiner only

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