3 **(a)** With the help of a formula, explain the meaning of price elasticity of supply **and** consider which factors are most important in determining whether the price elasticity of supply for a good is likely to be relatively elastic or relatively inelastic. [8]

(b) Assess the likely success of any **two** government policies to make the price elasticity of supply of all agricultural products more elastic. [12]

Section C

Answer **one** question.

EITHER