

4 As cities experience economic growth, the buildings in the city become taller. This is driven by an increase in the willingness and ability of consumers to live in tall buildings. Changes in the conditions of supply have also increased the number of tall buildings being constructed. However, there is a limit to the height of buildings – above a certain height, the total cost of constructing the building will exceed the total revenue generated.

(a) Define *total cost*. [2]

(b) Explain **two** causes of an increase in the supply of a product. [4]

(c) Analyse factors that can increase the willingness and ability of consumers to buy a certain product. [6]

(d) Discuss whether or not economic growth will improve living standards in a city. [8]