

# Quiz (chapter 8 & 9)

**Due** Feb 13 at 11:59pm**Points** 14**Questions** 14**Available** Feb 11 at 12am - Feb 13 at 11:59pm 3 days**Time Limit** 30 Minutes

## Instructions

This quiz covers material from chapters 8 and 9.

The time limit is 30 minutes.

This quiz was locked Feb 13 at 11:59pm.

## Attempt History

	Attempt	Time	Score
LATEST	<a href="#">Attempt 1</a>	10 minutes	12 out of 14

Score for this quiz: **12** out of 14

Submitted Feb 11 at 8:25am

This attempt took 10 minutes.

### Question 1

**0 / 1 pts**

Taxes cause deadweight losses because they



lead to losses in surplus for consumers and for producers that, when taken together, exceed tax revenue collected by the government.



distort incentives to both buyers and sellers.



prevent buyers and sellers from realizing some of the gains from trade.



All of the above are correct.

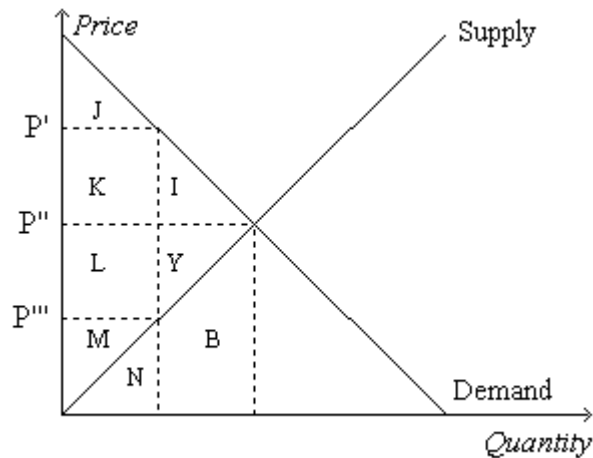
ou Answered

orrect Answer

## Question 2

1 / 1 pts

Figure 8-1



Refer to Figure 8-1. Suppose the government imposes a tax of  $P' - P'''$ . The area measured by  $K+L$  represents

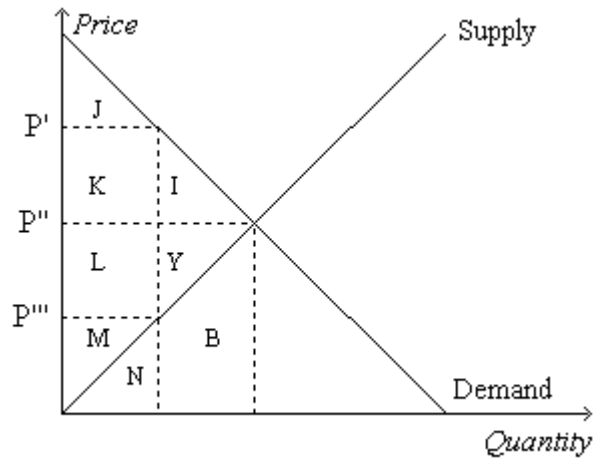
Correct!

- ☒ tax revenue.
- ☐ consumer surplus before the tax.
- ☐ producer surplus after the tax.
- ☐ total surplus before the tax.

## Question 3

1 / 1 pts

Figure 8-1



**Refer to Figure 8-1.** Suppose the government imposes a tax of  $P' - P'''$ . The consumer surplus after the tax is measured by the area

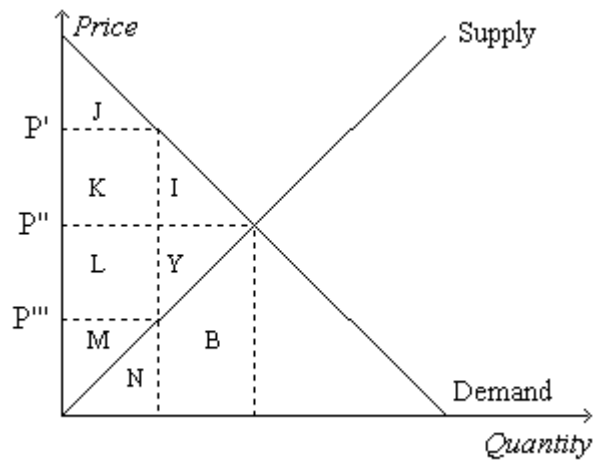
- ☐ J+K+L.
- ☒ J.
- ☐ M.
- ☐ L+M+Y.

Correct!

#### Question 4

1 / 1 pts

*Figure 8-1*



**Refer to Figure 8-1.** Suppose the government imposes a tax of  $P' - P'''$ . The area measured by  $I + Y$  represents the

**Correct!**

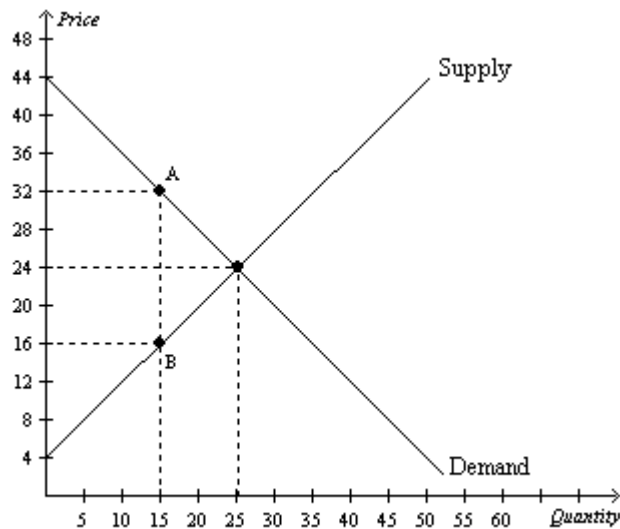
- ☒ deadweight loss due to the tax.
- ☐ loss in consumer surplus due to the tax.
- ☐ loss in producer surplus due to the tax.
- ☐ total surplus before the tax.

## Question 5

1 / 1 pts

### Figure 8-7

The vertical distance between points A and B represents a tax in the market.



Refer to Figure 8-7. As a result of the tax, consumer surplus decreases by

- ☐ \$130, producer surplus decreases by \$170, tax revenue is \$240, and deadweight loss is \$60.
- ☐ \$150, producer surplus decreases by \$150, tax revenue is \$240, and deadweight loss is \$60.
- ☒ \$160, producer surplus decreases by \$160, tax revenue is \$240, and deadweight loss is \$80.
- ☐ \$240, producer surplus decreases by \$240, tax revenue is \$400, and deadweight loss is \$80.

Correct!

Question 6

1 / 1 pts

Suppose a tax of \$1 per unit is imposed on a good. The more elastic the demand for the good, other things equal,

- ☐ the larger is the decrease in quantity demanded as a result of the tax.
- ☐ the smaller is the tax burden on buyers relative to the tax burden on sellers.
- ☐ the larger is the deadweight loss of the tax.
- ☒ All of the above are correct.

Correct!

### Question 7

1 / 1 pts

A tax on an imported good is called a

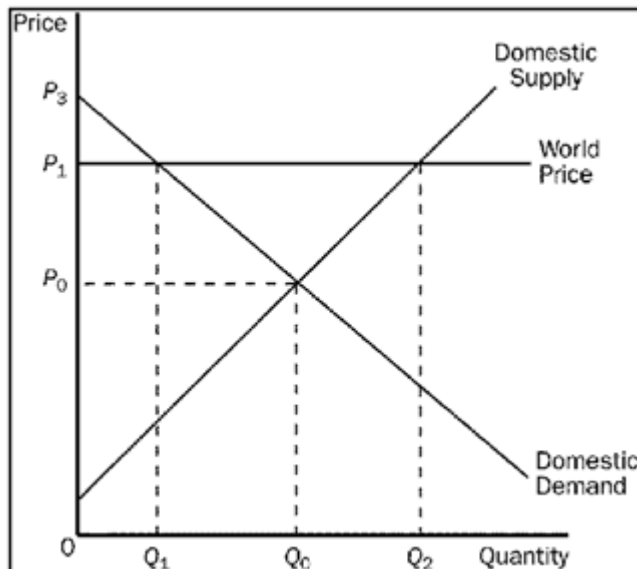
- ☐ quota.
- ☒ tariff.
- ☐ supply tax.
- ☐ trade tax.

Correct!

### Question 8

0 / 1 pts

**Figure 9-7.** The figure applies to the nation of Wales and the good is cheese.



Refer to Figure 9-7. With trade, the Welsh price of cheese and the Welsh quantity of cheese demanded are

☐  $P_1$  and  $Q_2$ .

Correct Answer

☐  $P_1$  and  $Q_1$ .

You Answered

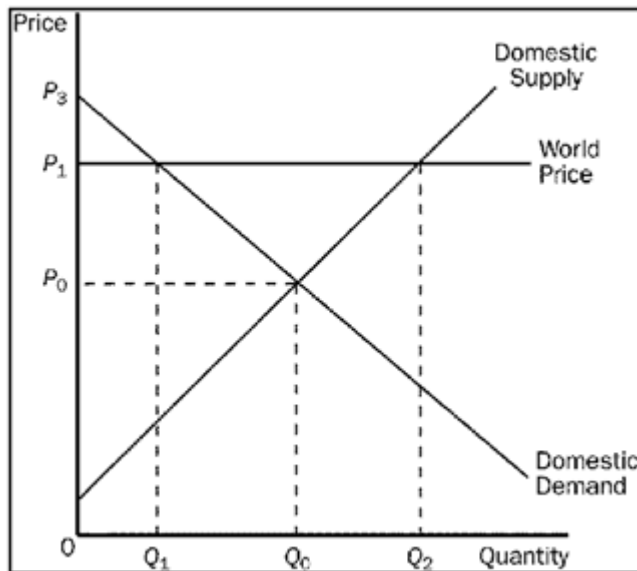
☒  $P_0$  and  $Q_0$ .

☐  $P_3$  and  $Q_1$ .

**Question 9**

1 / 1 pts

**Figure 9-7.** The figure applies to the nation of Wales and the good is cheese.



Refer to Figure 9-7. With trade, Wales

- ☐ imports  $Q_2 - Q_1$  units of cheese.
- ☒ exports  $Q_2 - Q_1$  units of cheese.
- ☐ imports  $Q_2 - Q_0$  units of cheese.
- ☐ exports  $Q_2 - Q_0$  units of cheese.

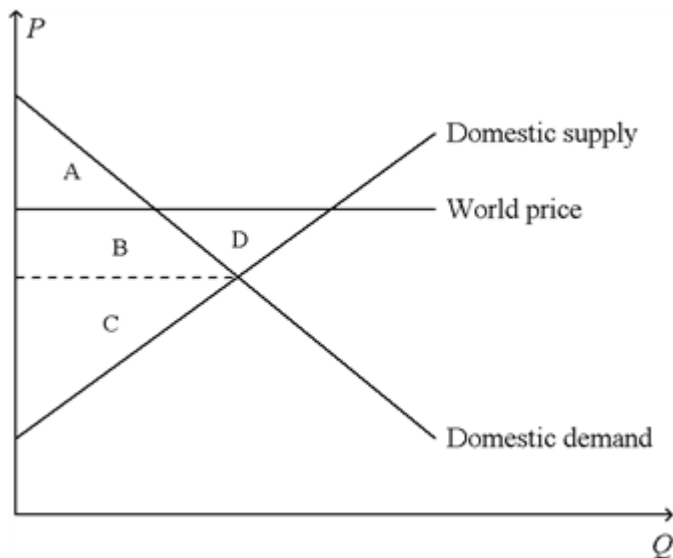
Correct!

## Question 10

1 / 1 pts

**Figure 9-14.** On the diagram below,  $Q$  represents the quantity of crude oil and  $P$  represents the price of crude oil.





Refer to Figure 9-14. The country for which the figure is drawn

Correct!



has a comparative advantage relative to other countries in the production of crude oil and it will export crude oil.



has a comparative advantage relative to other countries in the production of crude oil and it will import crude oil.



has a comparative disadvantage relative to other countries in the production of crude oil and it will export crude oil.



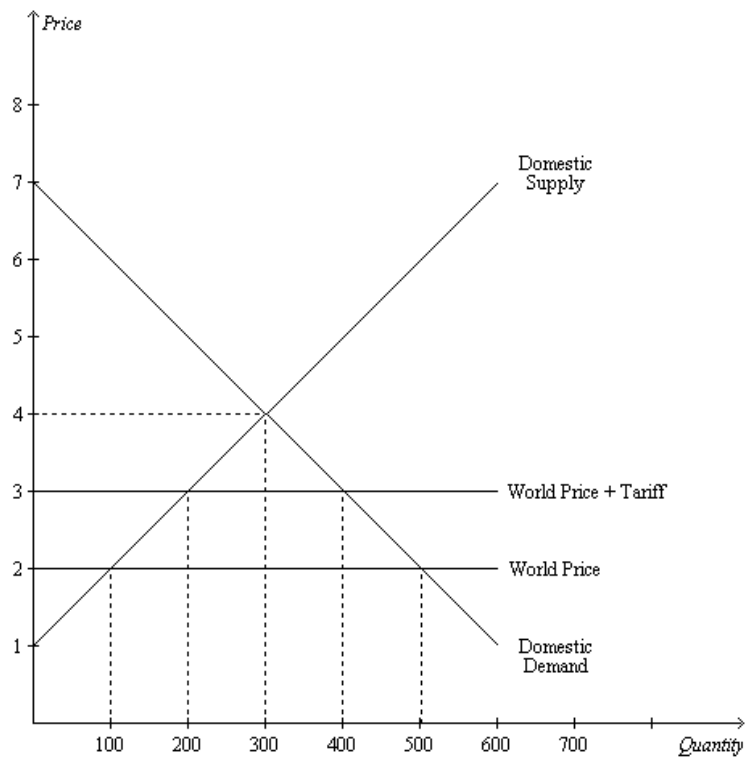
has a comparative disadvantage relative to other countries in the production of crude oil and it will import crude oil.

Question 11

1 / 1 pts

**Figure 9-6**

The figure illustrates the market for roses in a country.



Refer to Figure 9-6. The imposition of a tariff on roses

- ☐ increases the number of roses imported by 100.
- ☐ increases the number of roses imported by 200.
- ☒ decreases the number of roses imported by 200.
- ☐ decreases the number of roses imported by 400.

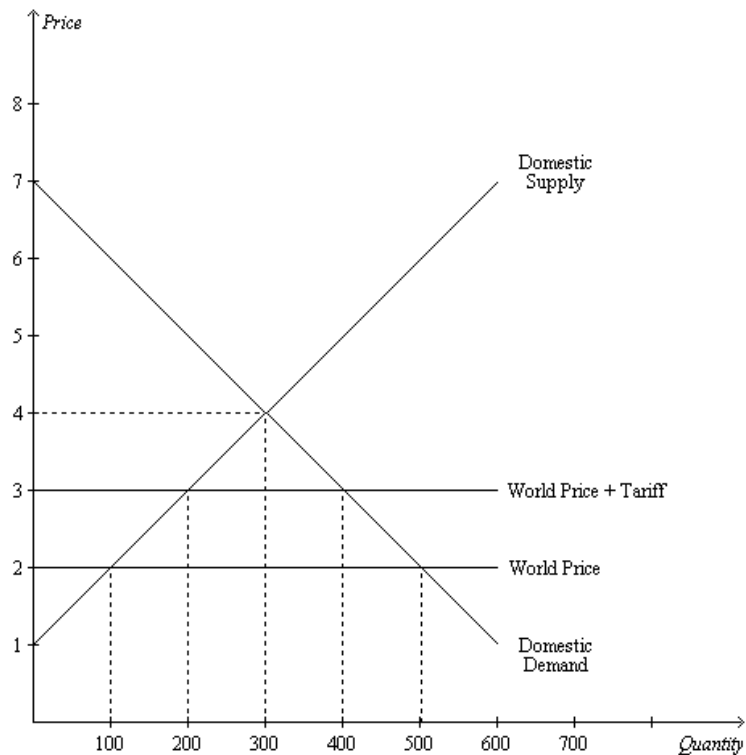
Correct!

## Question 12

1 / 1 pts

**Figure 9-6**

The figure illustrates the market for roses in a country.



Refer to Figure 9-6. The amount of revenue collected by the government from the tariff is

Correct!

☒ \$200.

☐ \$400.

☐ \$500.

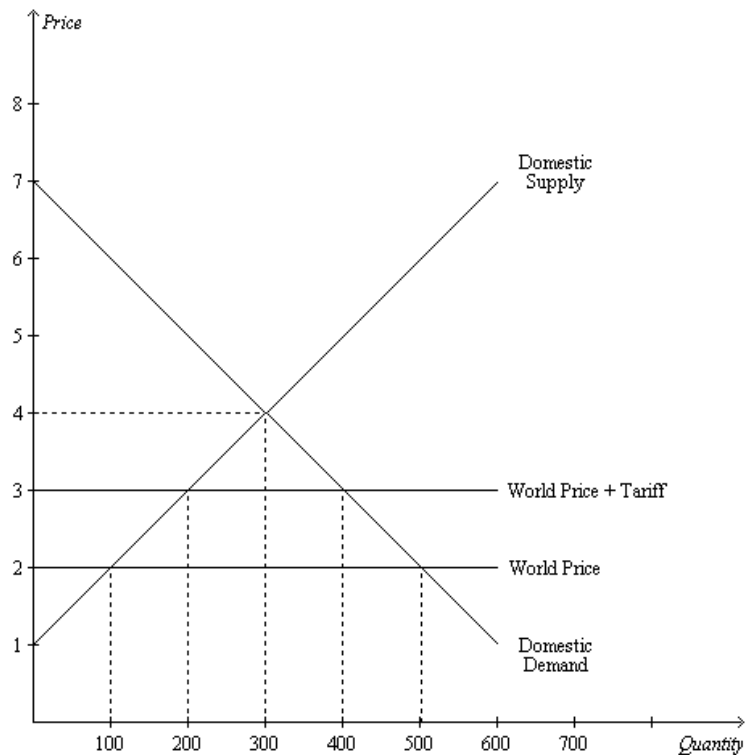
☐ \$600.

### Question 13

1 / 1 pts

#### Figure 9-6

The figure illustrates the market for roses in a country.



Refer to Figure 9-6. The amount of deadweight loss caused by the tariff equals

Correct!

☒ \$100.

☐ \$200.

☐ \$400.

☐ \$500.

### Question 14

1 / 1 pts

Several arguments for restricting trade have been advanced. Those arguments do *not* include

☐ the jobs argument.

**Correct!**

- ☐ the protection-as-a-bargaining-chip argument.
- ☒ the no-deadweight-loss argument.
- ☐ the infant-industry argument.

Quiz Score: **12** out of 14