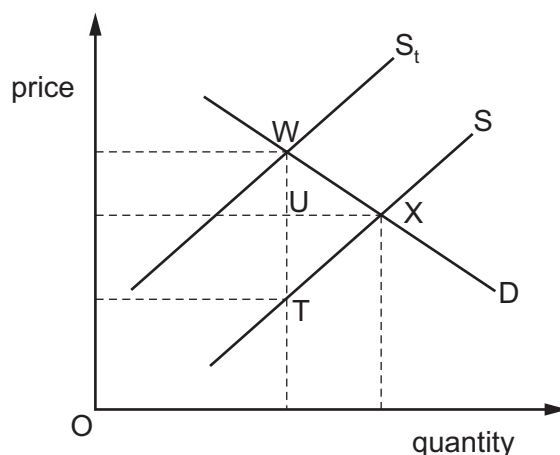


- 12 A specific tax is placed on the sale of bottles of lemonade. In the diagram, S is the supply curve before imposition of the tax and S_t is the supply curve after tax.



Which distance represents the specific tax on each bottle?

- A** UT **B** WT **C** WU **D** WX
- 13 Demand for medical face masks exceeds supply during a disease outbreak.
- What is the most likely cause of this excess demand?
- A** Some consumers do not have effective demand.
- B** The demand for medical face masks is price inelastic in the short run.
- C** The price of medical face masks is fixed below the equilibrium price.
- D** The supply of medical face masks is inelastic in the short run.