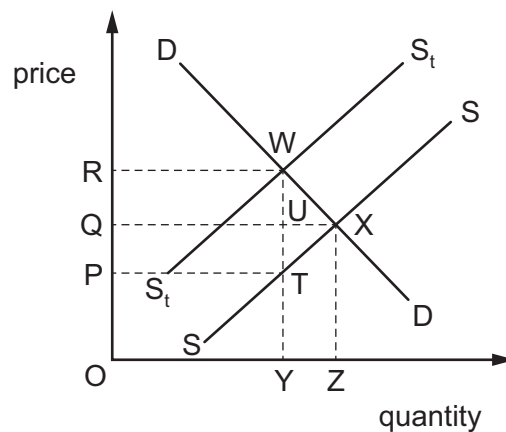


- 15 A specific tax is placed upon each bottle of perfume sold. In the diagram, SS is the supply curve before tax, $S_t S_t$ is the supply curve after tax.



Which area represents that part of the tax revenue paid by producers?

- A** ORWY **B** PQUT **C** PRWT **D** QRWU

- 16 In each diagram the initial supply is S_1 and the new supply after subsidy is S_2 . The subsidy is identical in each case.

Which diagram shows the greatest incidence of the subsidy on the consumers?

