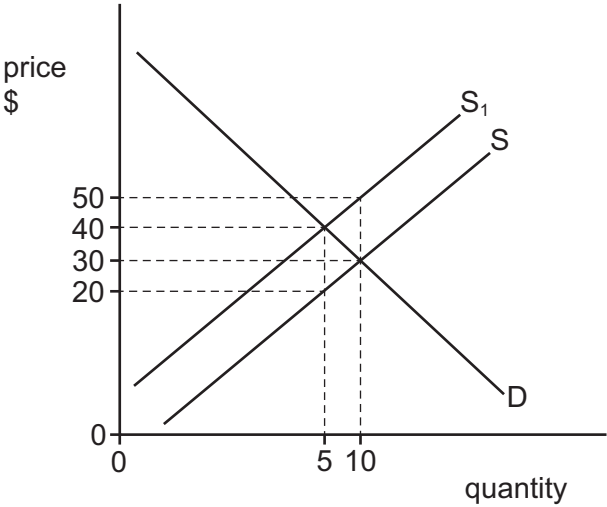


- 15 The diagram shows the impact of a government imposing a unit tax on a demerit good. S is the supply curve before the tax and  $S_1$  is the supply curve after the tax.



What is the after-tax revenue of the firm producing the demerit good?

- A** \$100                      **B** \$200                      **C** \$300                      **D** \$500
- 16 A government has a policy aim of reducing income inequality. It considers three policies.
- Which combination of policies would be most effective?

	an increase in the marginal rate of tax from 40% to 50%	an increase in the minimum wage	a subsidy on battery-powered cars which cost over \$40 000
<b>A</b>	yes	no	no
<b>B</b>	yes	yes	no
<b>C</b>	yes	no	yes
<b>D</b>	no	yes	no

- 17 A Bangladeshi citizen is employed as a construction worker in Qatar. He sends some of his wages to his family in Bangladesh.

How will this be recorded on Qatar’s balance of payments?

- A** as part of the balance of trade in services
- B** as part of net primary income
- C** as part of net secondary income
- D** as part of the financial account