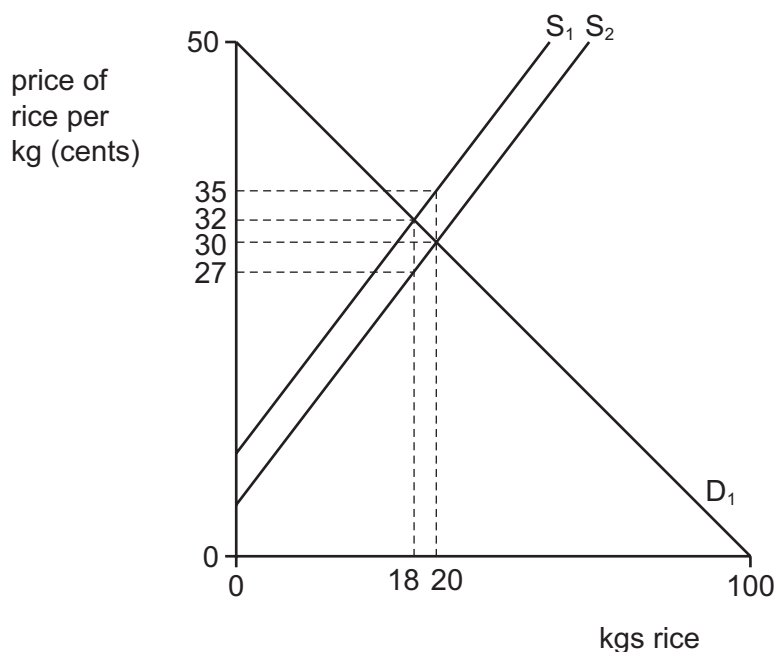


- 15** The diagram shows the demand and supply of rice. Supply increases from S_1 to S_2 .



What is the change in sales revenue received by the rice farmer?

- A** 24 cents
 - B** 60 cents
 - C** 600 cents
 - D** 700 cents
- 16** Money is paid by the government to an unemployed worker in the form of a benefit.
- Why is this called a transfer payment?
- A** The payment is from taxes paid by employed workers.
 - B** The payment is made from government savings not current income.
 - C** The payment is made without the production of goods and services taking place.
 - D** The payment must be spent as directed by the government.
- 17** What describes a regressive tax?
- A** low income earners pay a higher proportion of their income in tax than high income earners
 - B** marginal tax rates exceed average tax rates
 - C** the cost of collecting the tax exceeds the revenue raised
 - D** the marginal rate of tax is higher for high income earners than for low income earners