

- 9 The table shows the demand and supply schedules for a good before and after the imposition of a tax.

| price (\$) | quantity demanded | quantity supplied before tax | quantity supplied after tax |
|------------|-------------------|------------------------------|-----------------------------|
| 20         | 340               | 440                          | 380                         |
| 19         | 340               | 430                          | 340                         |
| 18         | 340               | 410                          | 290                         |
| 17         | 340               | 380                          | 230                         |
| 16         | 340               | 340                          | 160                         |
| 15         | 340               | 290                          | 80                          |
| 14         | 340               | 230                          | 0                           |

What was the amount of the tax?

- A** \$1                      **B** \$2                      **C** \$3                      **D** \$4

- 10 What is the likely nature of the price elasticity of supply of a crop such as rice?
- A** highly elastic in both the short and the long run as rice is an essential product
- B** highly elastic in the short run and more inelastic in the long run as production methods improve
- C** highly inelastic in both the short and the long run as the land area of a country is fixed
- D** highly inelastic in the short run and more elastic in the long run as it takes time to plant rice
- 11 During a certain period, 10 000 units of a normal good are sold at a price of US\$20. During a later period, 12 000 units are sold at a price of US\$22.

What could explain this change?

- A** an increase in indirect taxation
- B** an increase in the cost of raw materials
- C** an increase in the price of a substitute commodity
- D** an increase in the productivity of factors of production