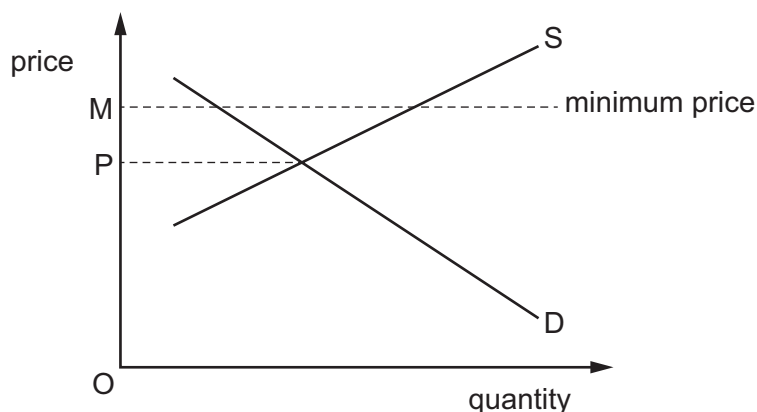


- 14** A specific tax is imposed on a product for which the elasticity of supply is zero.

Which statement is correct?

- A** The burden of this tax will fall entirely on consumers.
- B** The burden of this tax will fall entirely on suppliers.
- C** The burden of this tax will fall mainly on consumers.
- D** The burden of this tax will fall mainly on suppliers.

- 15** The diagram shows a market where a government has set a minimum price of OM.



What can be concluded from the diagram?

- A** At prices above OM, there would be a surplus of the good.
  - B** At the minimum price OM, there would be a shortage of the good.
  - C** Price will fall automatically from OM to OP.
  - D** The minimum price will be ineffective.
- 16** What would supporters of a nationalised public transport service expect to be the most likely outcome from the privatisation of train and bus services?
- A** fewer destinations served by trains and buses
  - B** lower fares
  - C** more frequent services to all destinations
  - D** more people employed in public transport services