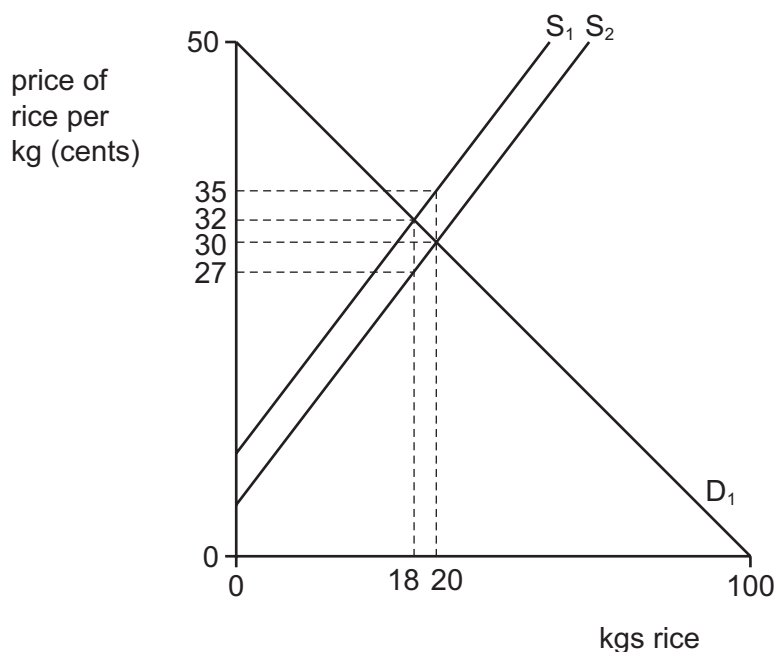


- 15 The diagram shows the demand and supply of rice. Supply increases from S_1 to S_2 .



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