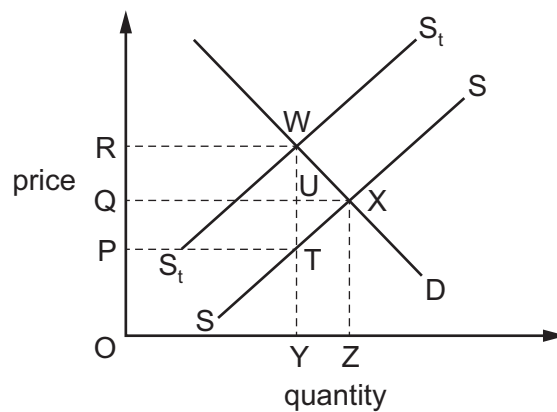


- 9 A specific tax is placed upon each bottle of perfume sold. In the diagram,  $SS$  is the supply curve before tax and  $S_tS_t$  is the supply curve after tax.



Which area represents the revenue received by the government from the tax?

- A** ORWY      **B** PQUT      **C** PRWT      **D** QRWU

- 10 When demand for a good increases, equilibrium price stays the same.

What is the good's elasticity of supply?

- A**  $-1$   
**B** zero  
**C**  $+1$   
**D** infinite
- 11 A manufacturer has estimated that the price elasticity of supply of ice cream is  $+1.5$ .
- If the demand for ice cream rises and price increases by 10%, how much more will the manufacturer supply to the market?

- A** 0.15%      **B** 1.5%      **C** 15%      **D** 150%