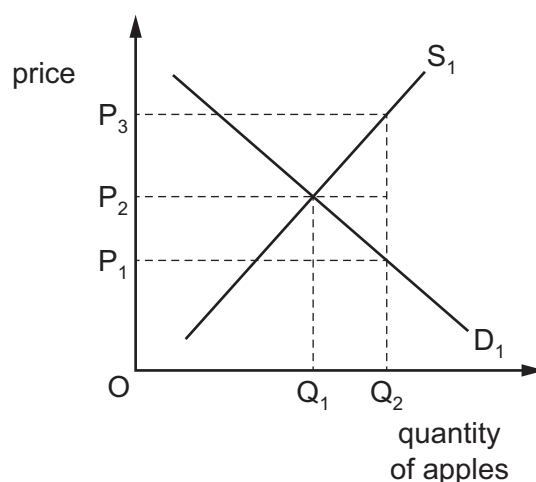


- 15 Which element of a tax and benefits system is regressive?
- A rent subsidies to tenants of publicly owned housing
 - B specific taxes on beer and tobacco
 - C the payment of child benefits to families
 - D the taxation of capital gains
- 16 A government decides to encourage apple consumption as a report states that eating apples is good for health. It subsidises apple growers.

The diagram shows the market for apples.



What would the subsidy need to be to change the market equilibrium quantity from Q_1 to Q_2 ?

- A OP_1
 - B P_1P_2
 - C P_1P_3
 - D P_2P_3
- 17 What is **not** a transfer payment?
- A benefit payments by governments to families who have children
 - B disability benefits paid to soldiers who were injured while on military service
 - C loans made by a government to students who are studying at university
 - D payments by a firm to compensate employees for undertaking dangerous work