

- 13** What is the most likely cause of the continuous increase in prices of famous paintings by now dead artists?
- A** the increasing technological ability to copy famous paintings perfectly
 - B** the popular view that famous paintings are an appreciating asset
 - C** the totally inelastic supply of famous paintings by dead artists
 - D** the wish of governments to treat art galleries as merit goods
- 14** What is most likely to be regressive?
- A** corporate profit taxes
 - B** state pension benefits
 - C** specific tax on cigarettes
 - D** unemployment benefits
- 15** What is necessary for an action to be classed as a transfer payment?
- A** It must include a cash payment.
 - B** It must involve a banking transaction.
 - C** It must originate from government activity.
 - D** It must relate to a non-productive activity.
- 16** The government imposes a specific indirect tax of \$1 on each unit of a good sold.
- How does the imposition of the tax shift the demand or supply curve of the good?
- A** The demand curve of the good will shift vertically downwards by \$1.
 - B** The demand curve of the good will shift vertically upwards by \$1.
 - C** The supply curve of the good will shift vertically downwards by \$1.
 - D** The supply curve of the good will shift vertically upwards by \$1.
- 17** Which term relates to a fall in the domestic real value of a currency?
- A** deflation
 - B** depreciation
 - C** appreciation
 - D** inflation