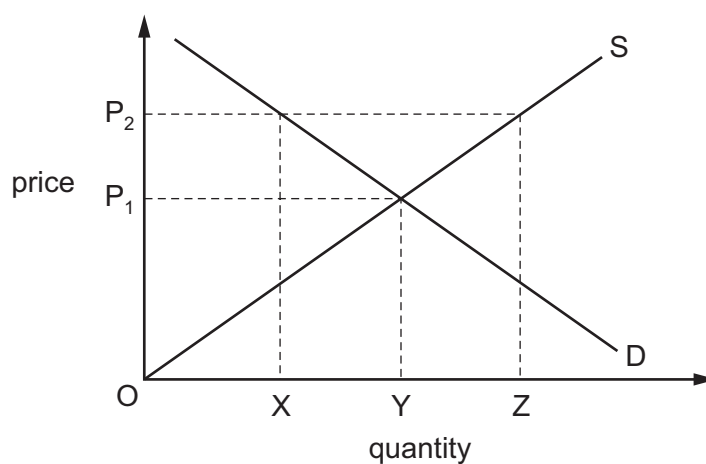


- 16 In 2009 the Australian government made a payment of \$900 to those who earned less than \$100 000 per year.

How would the effect of this transfer payment be described?

- A neutral
- B progressive
- C proportional
- D regressive

- 17 The diagram shows the market for wheat.



If the government wishes to fix the price at  $OP_2$  what quantity of wheat must the government buy?

- A OZ
  - B XY
  - C XZ
  - D YZ
- 18 As part of a privatisation policy, a government deregulates bus services and sells off its public sector bus services to the private sector.

What is **least** likely to occur following these changes?

- A Bus fares are increased.
- B Bus service companies invest in new buses.
- C Extra bus service companies enter the market.
- D Loss-making bus services are retained.