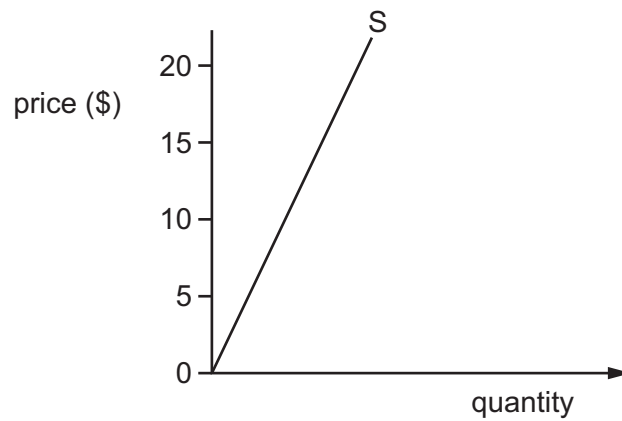


14 The diagram shows the supply curve of a product.



The government imposes a specific indirect tax of \$5 on the product.

How will the price elasticity of supply of the product change?

- A** from elastic (>1) to inelastic (<1)
- B** from inelastic (<1) to elastic (>1)
- C** from inelastic (<1) to unitary ($=1$)
- D** from unitary ($=1$) to elastic (>1)