

- 9 The table shows the demand and supply schedules for a good before and after the imposition of a tax.

price (\$)	quantity demanded	quantity supplied before tax	quantity supplied after tax
20	340	440	380
19	340	430	340
18	340	410	290
17	340	380	230
16	340	340	160
15	340	290	80
14	340	230	0

What was the amount of the tax?

- A** \$1 **B** \$2 **C** \$3 **D** \$4

- 10 What is the likely nature of the price elasticity of supply of a crop such as rice?

- A** highly elastic in both the short and the long run as rice is an essential product
B highly elastic in the short run and more inelastic in the long run as production methods improve
C highly inelastic in both the short and the long run as the land area of a country is fixed
D highly inelastic in the short run and more elastic in the long run as it takes time to plant rice

- 11 During a certain period, 10 000 units of a normal good are sold at a price of US\$20. During a later period, 12 000 units are sold at a price of US\$22.

What could explain this change?

- A** an increase in indirect taxation
B an increase in the cost of raw materials
C an increase in the price of a substitute commodity
D an increase in the productivity of factors of production