

- 16** The National Library Board of Singapore is a public sector organisation that finances and manages the state libraries.

What is the **most** likely reason for this?

- A** Libraries are public goods.
- B** Libraries are merit goods.
- C** The cost of providing library services would be greater in the private sector.
- D** The opportunity cost to the public sector of providing library services is zero.

- 17** Three types of tax are listed.

- a sales tax (VAT) on fuel
- a specific tax of 10% on cigarettes
- the percentage of income tax on individual earnings increases as taxable income increases

Which combination describes the effect of each of these types of tax?

	VAT	specific tax	income tax
<b>A</b>	progressive	progressive	regressive
<b>B</b>	progressive	regressive	progressive
<b>C</b>	regressive	progressive	regressive
<b>D</b>	regressive	regressive	progressive