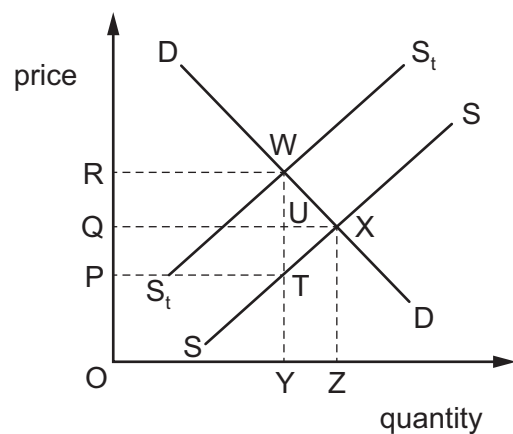


- 15 A specific tax is placed upon each bottle of perfume sold. In the diagram, SS is the supply curve before tax,  $S_tS_t$  is the supply curve after tax.



Which area represents that part of the tax revenue paid by producers?

- A ORWY                      B PQUT                      C PRWT                      D QRWU

- 16 In each diagram the initial supply is  $S_1$  and the new supply after subsidy is  $S_2$ . The subsidy is identical in each case.

Which diagram shows the greatest incidence of the subsidy on the consumers?

