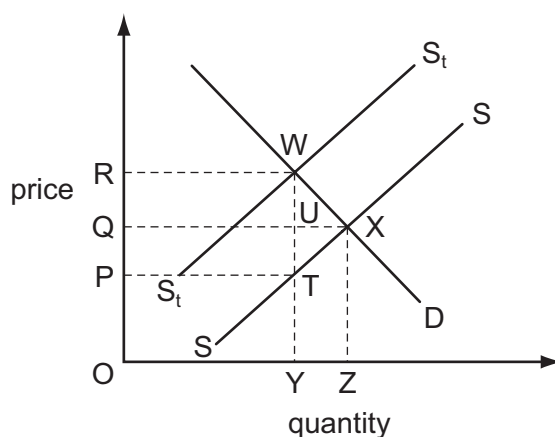


- 8 A specific tax is placed upon each bottle of perfume sold. In the diagram, SS is the supply curve before tax, S_tS_t the supply curve after tax.



Which area represents the revenue received by the government from the tax?

- A ORWY B PQUT C PRWT D QRWU
- 9 The table shows the maximum price a consumer would be willing to pay for successive cans of fruit juice.

cans	first	second	third	fourth	fifth
price (\$)	14	10	6	4	3

The price of a can of fruit juice is \$4 and, having bought three cans, the consumer decides to buy a fourth.

How does buying the fourth can affect his consumer surplus?

- A It leaves it unchanged.
 B It lowers it by \$2.
 C It raises it by \$4.
 D It raises it by \$34.
- 10 What is generally considered to be one of the advantages of using the price mechanism as a rationing device?
- A It ensures that goods are allocated in accordance with the needs of consumers.
 B It ensures that suppliers cannot make excessive profits.
 C No one can be prevented from consuming a good if they are willing and able to pay the market price.
 D The allocation of goods is determined by consumers' wealth.