

- 17** The table shows sources of government revenue in a fiscal year for an economy.

source of revenue	\$ billions
sale of government assets	100
tax on self employed	1000
carbon tax on goods produced	100
corporate taxes	500
capital gains tax	100
goods and services tax	1000
air passenger tax	100

What is the total amount, in \$ billions, of tax revenue raised by indirect taxes?

- A** 1200 **B** 1300 **C** 1400 **D** 1600
- 18** Education from 4 to 16 years of age in most developed economies is provided at zero price, financed from taxation.

Why should the government do this?

- A** In a free market, consumers have imperfect information so do not realise the full personal benefit of education.
- B** In a free market, education is not considered to be a private good.
- C** In a free market, consumers will be unwilling to pay for education.
- D** In a free market, education is non-rival and non-excludable in consumption so zero output would be produced.
- 19** What will cause a movement along an aggregate supply curve?
- A** a rise in the demand for exports
- B** a rise in the price of raw materials
- C** a rise in the productivity of labour
- D** a rise in the rate of sales tax
- 20** A government devalues its fixed exchange rate.

What is most likely to be its aim?

- A** to improve the terms of trade
- B** to increase the level of aggregate demand
- C** to reduce a current account surplus
- D** to reduce demand-pull inflation