

13 Which combination of events is **most** likely to leave the demand curve for a normal good in the same position?

- A** a decrease in consumer incomes and an increase in the price of a substitute good
- B** a decrease in consumer incomes and an increase in the price of the good
- C** an increase in consumer incomes and an increase in the price of a substitute good
- D** an increase in consumer incomes and an increase in the price of the good

14 Which of the following is a transfer payment?

- A** the advertising expenditure of a firm
- B** the allowance given by a parent to their child while at school
- C** the rent paid to a land owner by a tenant farmer
- D** the wage paid to a worker in the government service

15 Too much sugar causes an increase in a consumer's weight. A government has introduced a 'sugar tax' on the consumption of soft drinks that have a high sugar content.

How might this policy help to reduce the number of overweight people?

- A** Consumers switch to cheaper brands of soft drink with a high sugar content.
- B** Consumers switch to other high-sugar substitute goods, such as alcohol or sweets.
- C** The price elasticity of demand for soft drinks is inelastic.
- D** The tax revenue is spent on education about the dangers of soft drink consumption.

16 A government intends to introduce a minimum price for rice, a maximum price for heating oil and a tax on chewing gum.

Who, in each market, is meant to benefit from these policies?

	market for rice	market for heating oil	market for chewing gum
A	consumers	government	producers
B	government	producers	government
C	producers	producers	consumers
D	producers	consumers	government