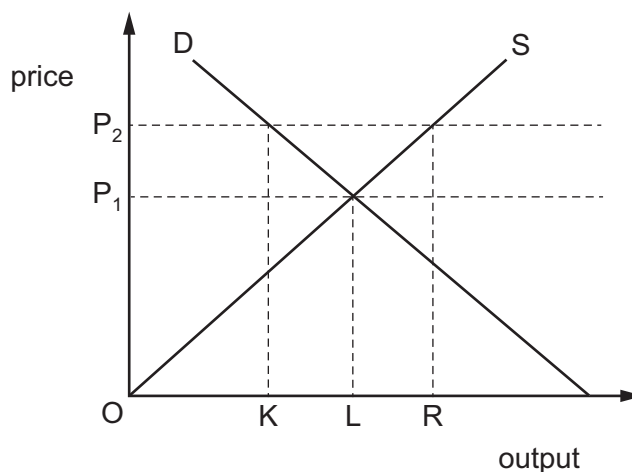


17 Which statement is **not** correct?

- A A progressive tax usually improves the distribution of income.
- B A regressive tax benefits the rich more than the poor.
- C An ad valorem tax causes a parallel shift left of the supply curve.
- D Some consumers can avoid paying indirect tax.

18 The diagram shows the market supply and demand curves for wheat.



What should a government do to maintain a minimum price of  $OP_2$ ?

- A buy quantity  $KL$
  - B buy quantity  $KR$
  - C sell quantity  $LR$
  - D sell quantity  $KR$
- 19 Singapore imports almost all of its raw materials and its exports are a high percentage of its GDP. The price elasticity of demand for exports and the price elasticity of demand for imports are each less than 1.

What would be the likely impact of a depreciation of the Singapore dollar?

- A The domestic inflation rate would fall.
- B The government's budget deficit would move to surplus.
- C The price of imports would fall.
- D The value of exports would fall.