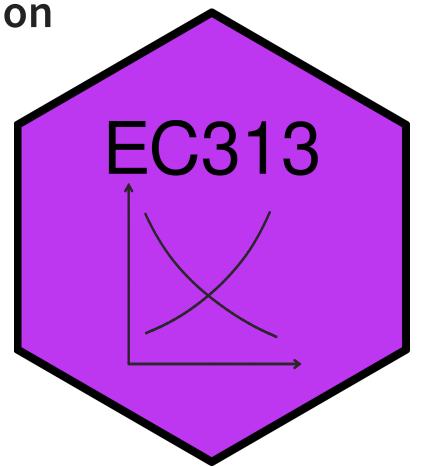
# Taxation and Efficiency In-Class Questions

EC313- Public Economics: Taxation

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Fall 2025





Describe how the shape of an individual's indifference curve affects the magnitude of a tax's excess burden. What does this tell you about how the degree of substitutability between the taxed item and the other item matters for the efficiency of taxation?



Which of the following is likely to impose a large excess burden?

a) A tax on land





Which of the following is likely to impose a large excess burden?

a) A subsidy on personal computers



Which of the following is likely to impose a large excess burden?

a) A tax of \$75 on smartphones



Which of the following is likely to impose a large excess burden?

a) A subsidy on investment in high tech companies?



Which of the following is likely to impose a large excess burden?

a) A 5% tex on bottled water



Which of the following is likely to impose a large excess burden?

a) A 10% tax on all computer software

