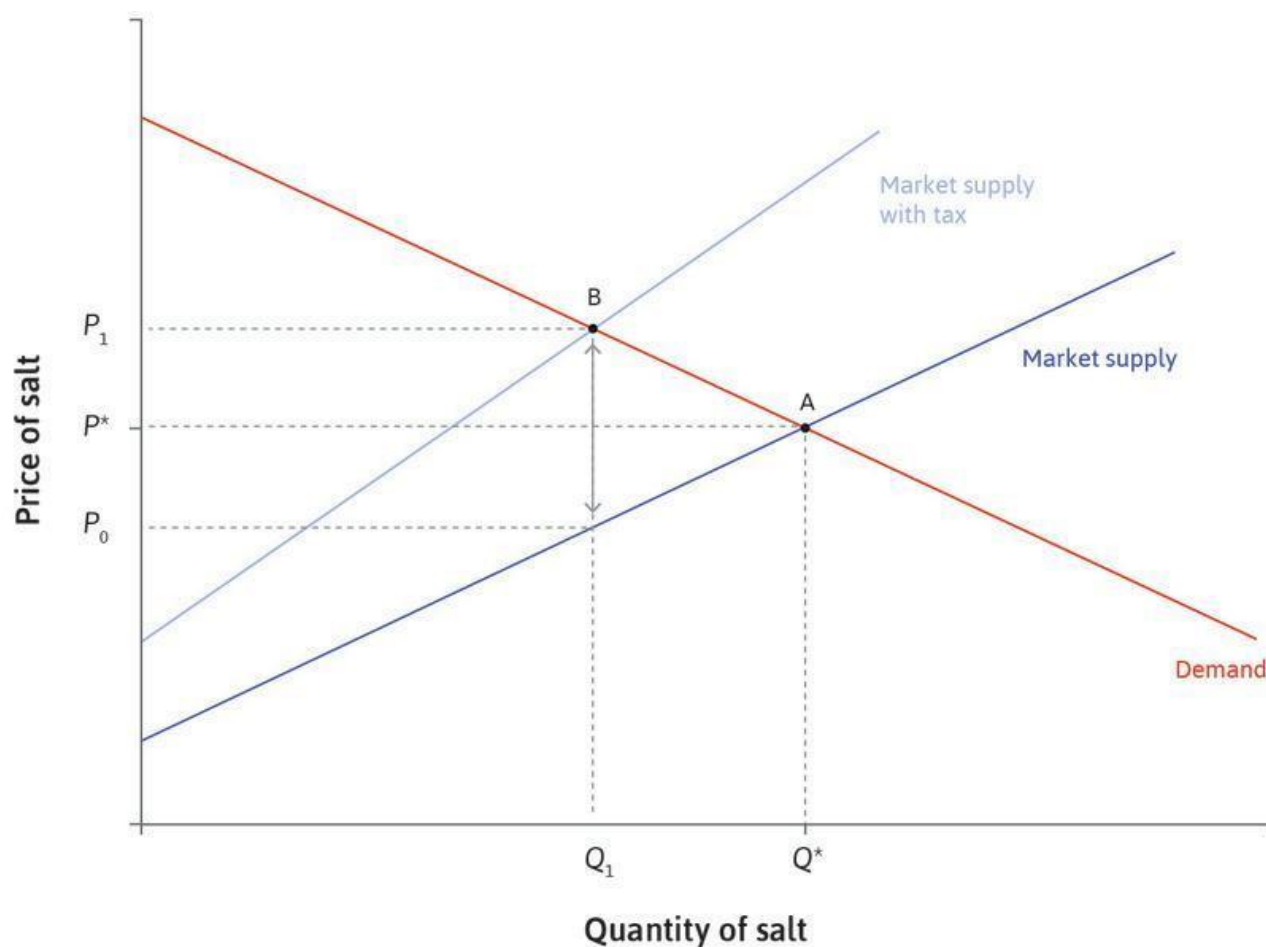


## Quiz 2

## Macroeconomics: (Term 2, 2017)

The following figure shows the demand and supply curves for salt, and the shift in the supply curve due to the implementation of a 30% tax on the price of salt.



Q1. What is the price that consumers pay and the one that producers receive? (10 points)

Answer: Price paid by the consumer:  $P_1$   
 Price received by the producer:  $P_0$

Q2. What is the government's tax revenue? (10 points)

Answer: Government's tax revenue:  $(P_1 - P_0) * Q_1$