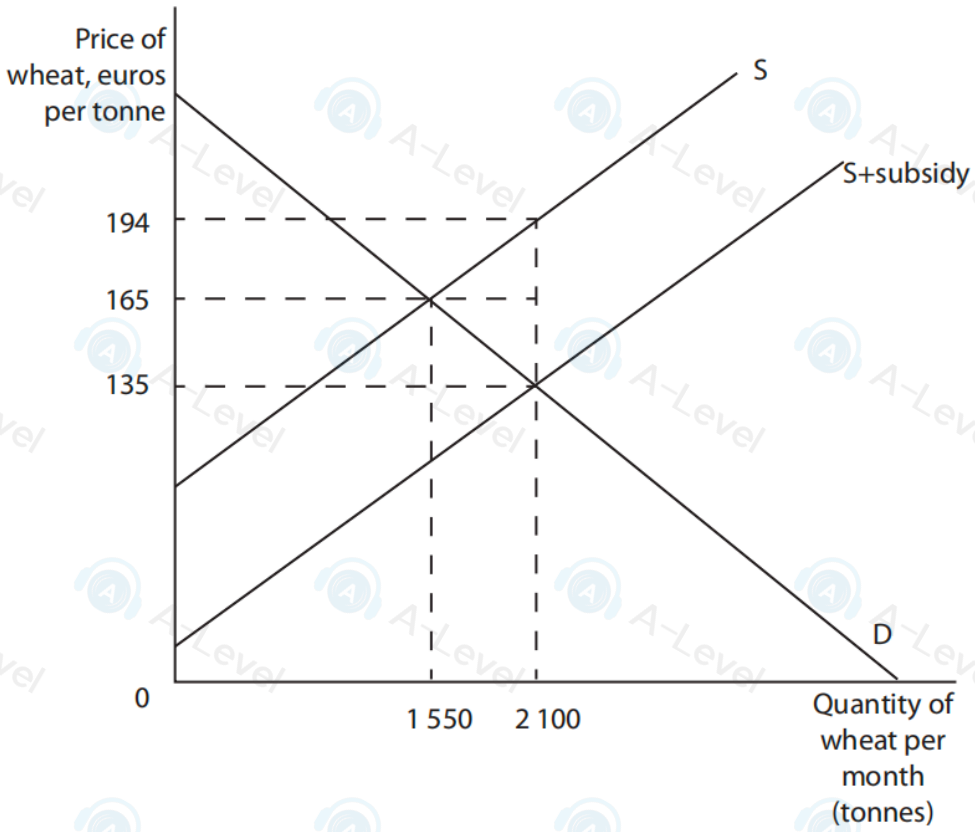
4 The diagram shows the market for wheat in the European Union after the introduction of a subsidy.



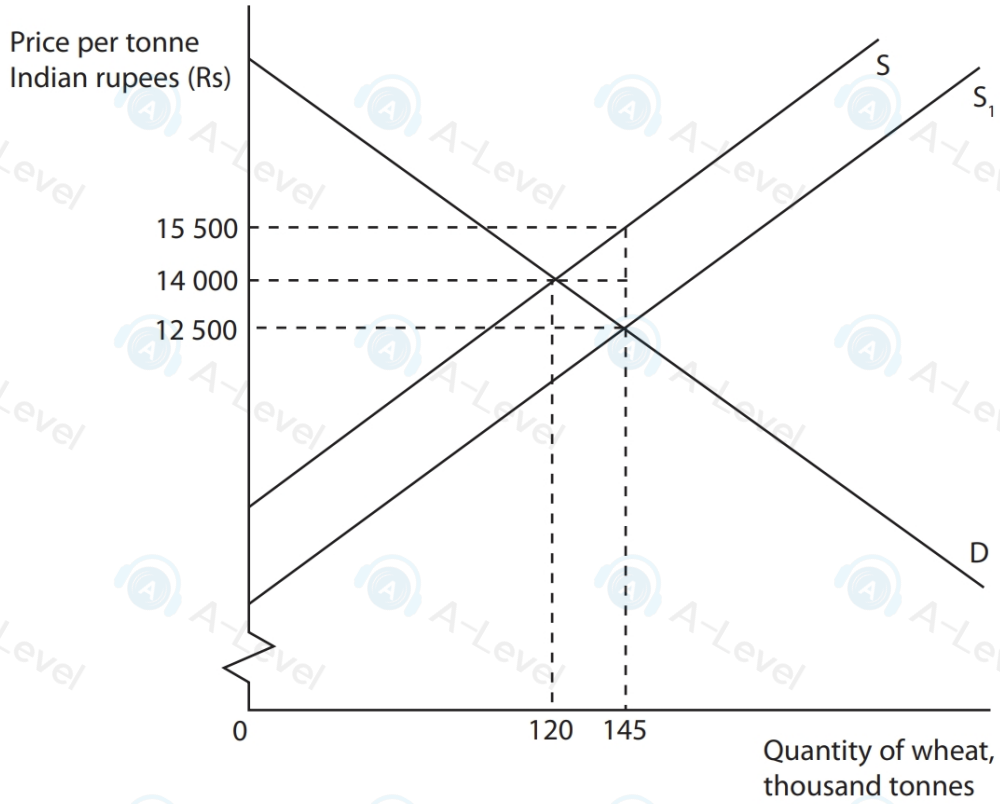
Which **one** of the following is the consumer incidence of the subsidy?

- ☒ **A** €60 900
- ☒ **B** €63 000
- ☒ **C** €123 900
- ☒ **D** €283 500

(Total for Question 4 = 1 mark)

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DO NO

6 The diagram shows the market for wheat in India. It illustrates the introduction of a subsidy for the production of wheat by the Indian Government.



Which one of the following is the producer incidence of the subsidy?

☒ **A** Rs 217 500 000

☒ **B** Rs 435 000 000

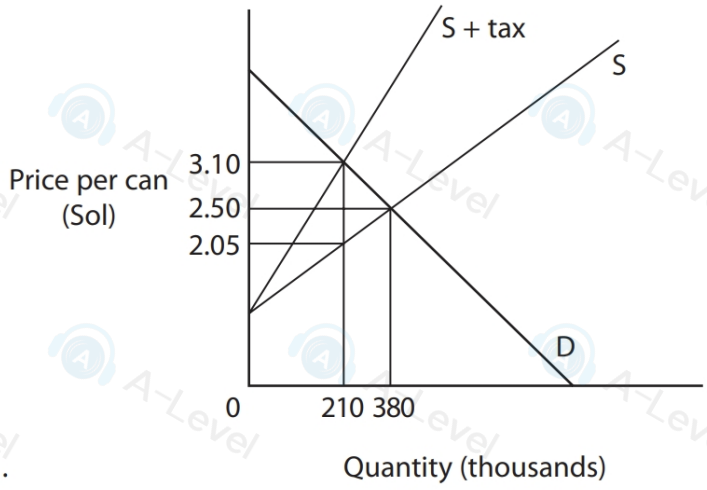
☒ **C** Rs 1 812 500 000

☒ **D** Rs 2 247 500 000

(Total for Question 6 = 1 mark)

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6 The diagram shows the market for a sugar-sweetened drink in Peru. In 2018 Peru's Government imposed an ad valorem tax on sugar-sweetened drinks.



Which **one** of the following shows the value of the consumer incidence of the tax?

- ☒ **A** Sol 94 500
- ☒ **B** Sol 126 000
- ☒ **C** Sol 220 500
- ☒ **D** Sol 228 000

(Total for Question 6 = 1 mark)

7 China aims to increase electricity generation from renewable resources. China's Government has introduced a subsidy for solar panel manufacturers.

Draw a diagram to illustrate the impact of the introduction of a subsidy on the market for solar panels.

Show the new equilibrium price and quantity and the area of government expenditure on the subsidy in your diagram.

7 Saudi Arabia introduced its first indirect tax on the sale of goods and services in 2018. The tax is charged at 5% of the price of goods and services.

Draw a diagram to illustrate the impact of the introduction of the indirect tax on the equilibrium price and quantity of petrol in Saudi Arabia.

7 In 2016 the Nigerian Government removed the subsidy on petrol.

Draw a diagram to illustrate the impact of the removal of the subsidy on the equilibrium price and quantity of petrol.

11 In January 2022 Vietnam's Government introduced an indirect tax on online sales. This was charged at 10% on all online transactions.

Explain the impact of the introduction of this indirect tax on the market for paperback books sold online in Vietnam.

Illustrate your answer with an appropriate diagram.

7 The Government of the Philippines provides subsidies to sugarcane farmers.

Draw a diagram to illustrate the impact of this subsidy on the market for sugarcane.

Identify the increase in consumer surplus on your diagram.

(Total for Question 7 = 4 marks)