Qurious Education

Subsidies

Multiple-Choice Questions

GCE A-LEVEL ECONOMICS

Qurious Education

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- ☐ **A** consumer surplus
- ☐ **B** market failure
- ☐ **C** public good provision
- ☐ **D** tax revenue

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The most likely effect of cutting subsidies for the installation of solar panels is to:

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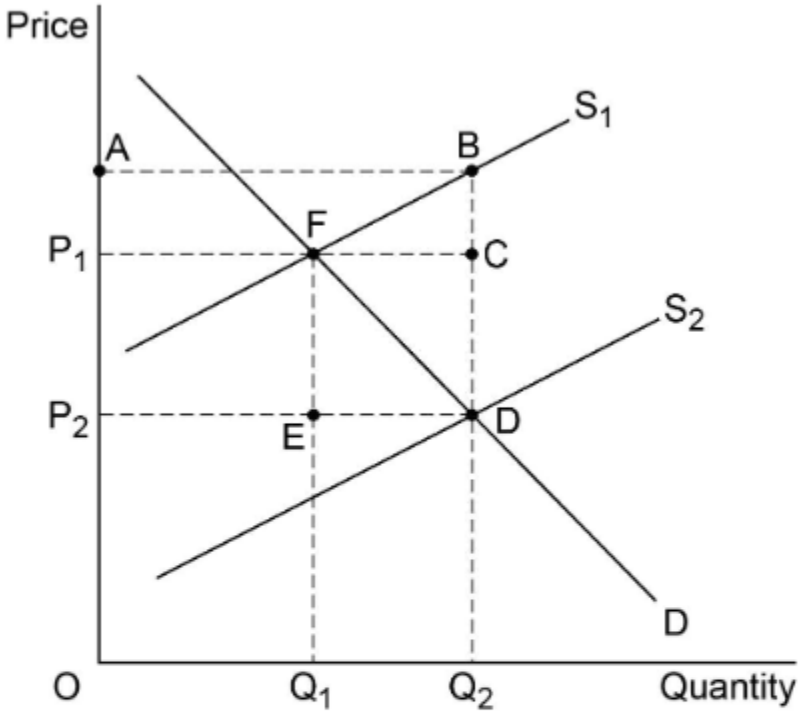
The following diagram shows the impact of a government subsidy for recycling waste which shifts the supply curve from S_1 to S_2.



Which one of the following areas measures the cost of the government subsidy?

A A B C P_1

B A B D P_2

C F C D E

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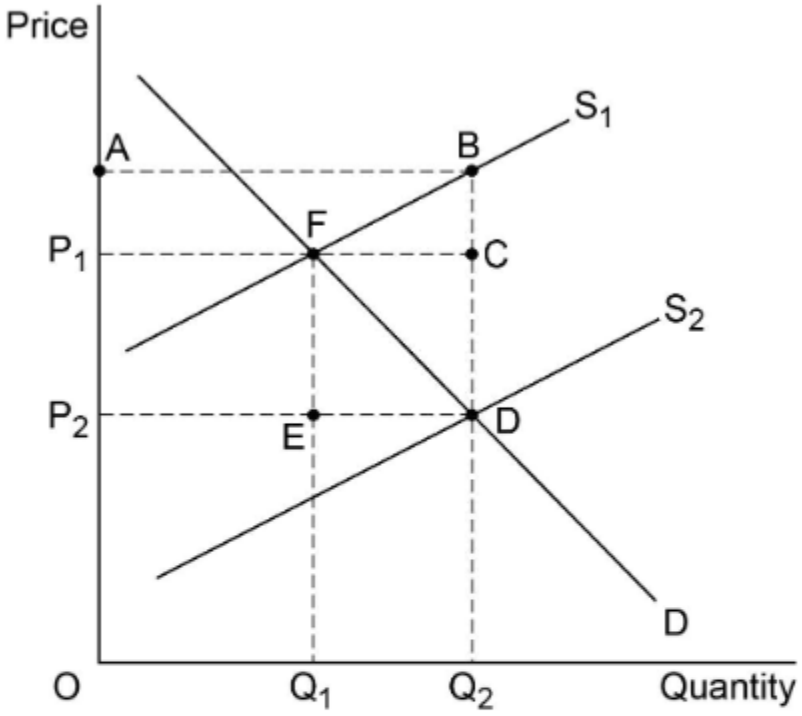

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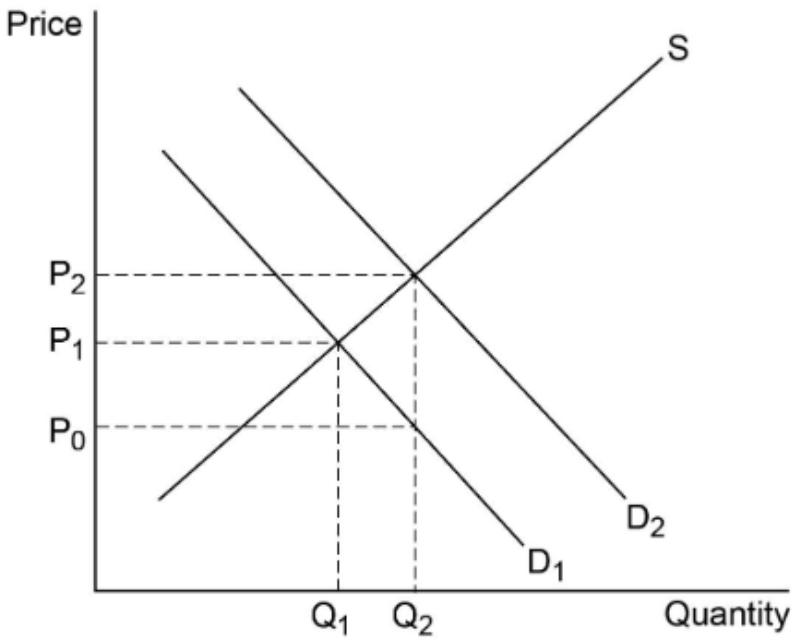

Which one of the following policies is most likely to ensure that consumption and production of smoke alarms are at the social optimum level?

A A maximum price set at P_0

B A maximum price set at P_2

C A subsidy per unit equal to $P_1 - P_0$

D A subsidy per unit equal to $P_2 - P_0$

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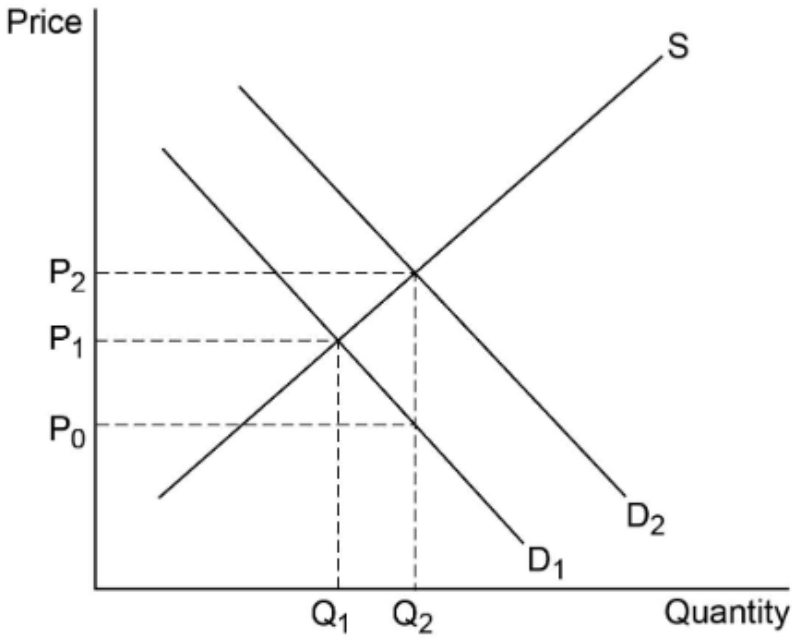

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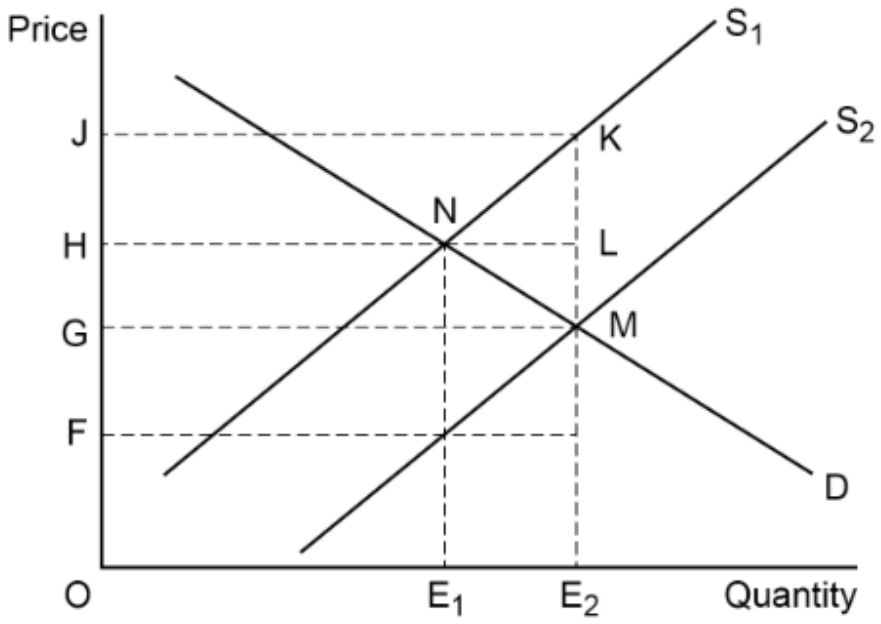

The renewable energy market is initially in equilibrium at a price of OH. The government then introduces a subsidy for renewable energy.

After the introduction of the subsidy, the total amount of money received by the producers from both consumers and the government is

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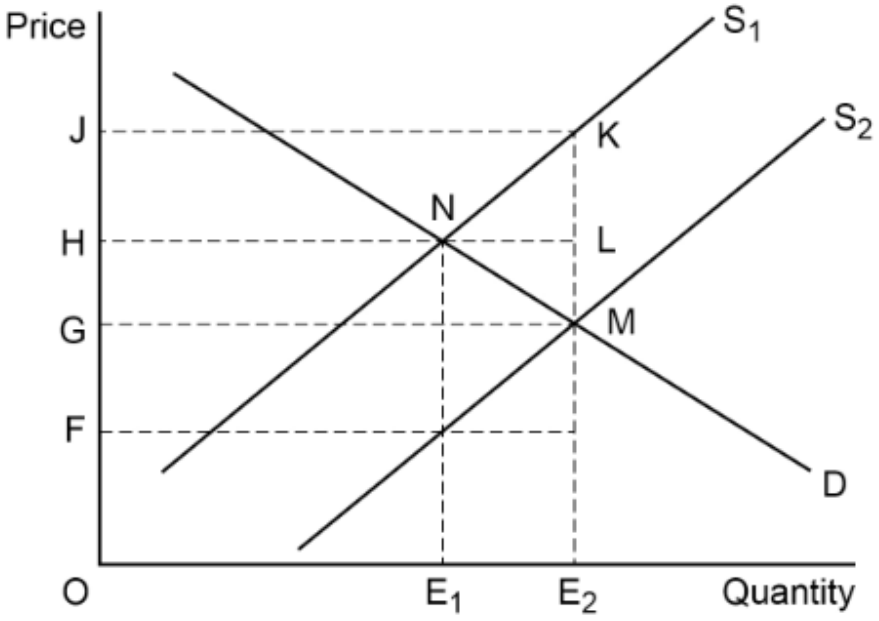

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