

**ARE 201 Spring 2009 Exam #3 Answer Sheet**

**MULTIPLE CHOICE (3 points each)**

1. b
2. b
3. a
4. b
5. d
6. d
7. b
8. a
9. a
10. d
11. a
12. a
13. b
14. b
15. a
16. b
17. c
18. c

**TRUE/FALSE (2 points each)**

1. F
2. F
3. T
4. F
5. T
6. T
7. F
8. T
9. F

**SHORT ANSWER**  
**APPLICATION/SCENARIO (9 points each)**

1. ANSWER:

	WITHOUT TAX	WITH TAX	CHANGE
Consumer surplus	$A + B + C$	$A$	$-(B + C)$
Producer surplus	$D + E + F$	$F$	$-(D + E)$
Tax revenue	None	$B + D$	$(B + D)$
Total surplus	$A + B + C + D + E + F$	$A + B + D + F$	$-(C + E)$

2.

ANSWER:

- a. \$6, 84
- b. 66
- c. 44
- d. \$384
- e. \$294
- f. \$45
- g. \$80
- h. \$44
- i. \$11