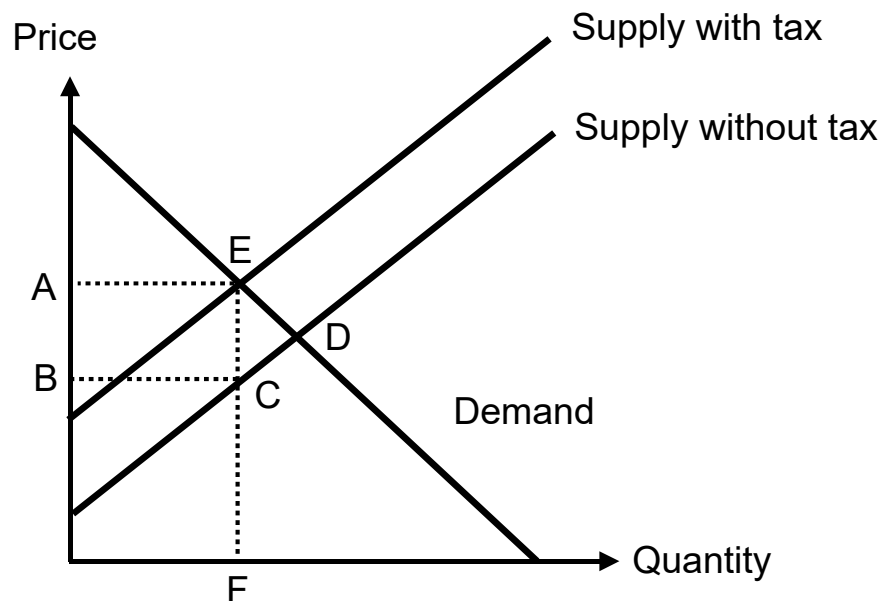


Tax effects (E31b)

⇒ The diagram below shows a situation without tax and with tax per unit of quantity, payable by the seller. Answer the following questions:

- What price is to be paid by the buyer after the introduction of the tax?
- What net proceeds per unit of quantity (= price minus tax) will the seller receive?
- How high is the tax per unit of quantity?
- How high are the total tax receipts?
- What is the welfare loss of the tax?



[Click here to get the answer!](#)