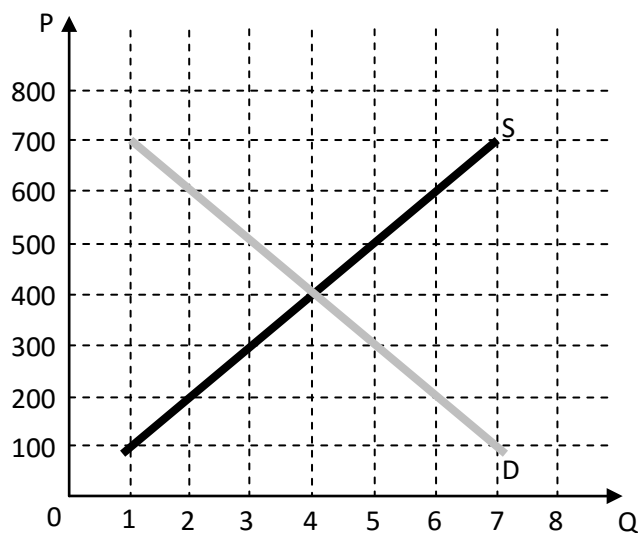


Quiz 1: Government Intervention

Answer all the questions in 10 minutes.

1. Consider the following figure, answer all questions below:



- a) (2 points) Suppose the world price is at 200 baht, with no tariff how many units are imported, domestically produced, and consumed?

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- b) (2 points) With a specific tariff of 100 baht per unit, how many units are imported, domestically produced, and consumed?

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- c) (6 points) Analyze the changes in welfare of each related agent and calculate the net welfare effect of the tariff to this market. Calculate these into numbers.

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