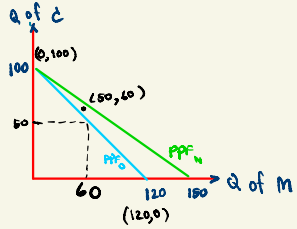


6304641845

Pan

1A



opportunity cost for cupcakes
muffins $\rightarrow$ cupcakes

$$-120 \rightarrow +100$$

$$-1.2 \rightarrow +1$$

$\therefore$ opportunity cost for each cupcake is 1.2 unit of muffins.

1b It is not possible to bake 60 cupcakes and 50 muffins because the resource is not enough and point (50, 60) is out of the production possibility frontier.

1x opportunity cost for cupcakes in new PPF

muffins $\rightarrow$ cupcakes

$$-150 \rightarrow +100$$

$$-1.5 \rightarrow +1$$

$\therefore$ Opportunity cost for each cupcake is increase from 1.2 to 1.5 unit of muffins.

2a) At world price, sugar price is 20 baht.

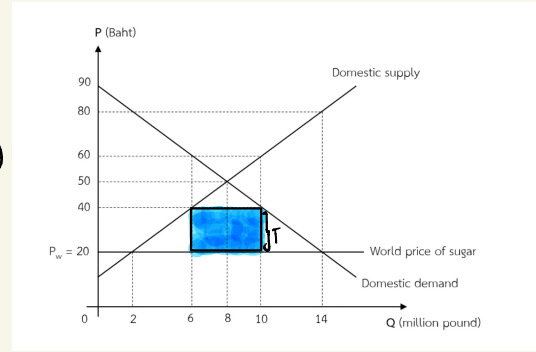
domestic supply = 2 m pounds

domestic demand = 4 m pounds

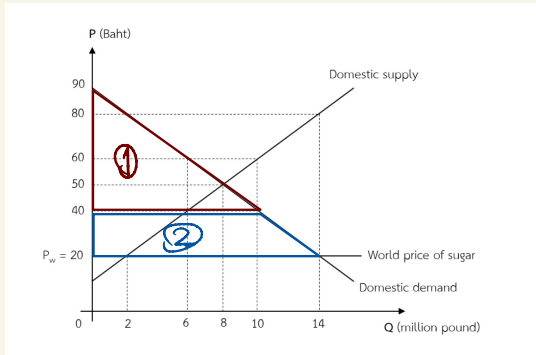
∴ import 12 m pound

2c) 6m pound.

2e)



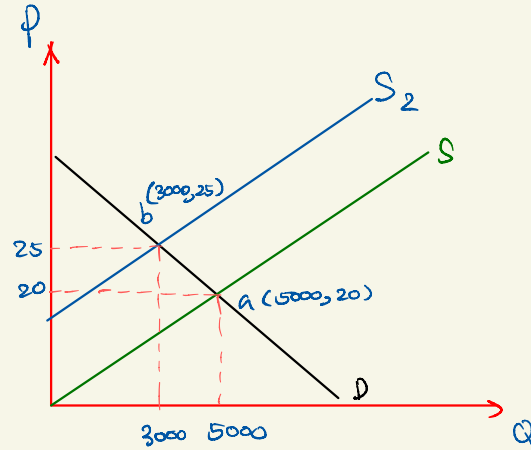
2d)



The price of the sugar after tax is 40 \$/pound.
from the graph, the domestic quantity supply is 6m pounds;
however, the domestic quantity demand is 10m pounds.
from this reasons, the government has to import
4m pounds, with 20 \$ tax per pounds. the government
total revenue would be 80 m. baht.

The consumers will be worst off because the difference between the willingness to pay and the price market decrease. the quantity demanded decrease, so the consumer surplus is less.

$$\begin{aligned}
 (3a) \quad \varepsilon_d(b) &= \frac{\Delta Q}{\Delta P} = \frac{25}{3000} \\
 &= -400 - \frac{25}{3000} \\
 &= -3.33
 \end{aligned}$$

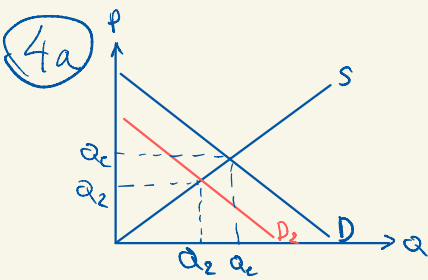


(3b) ↓ decrease
 $\therefore$ green tea is an elastic demand.
 When the price goes up, the total revenue will go down.

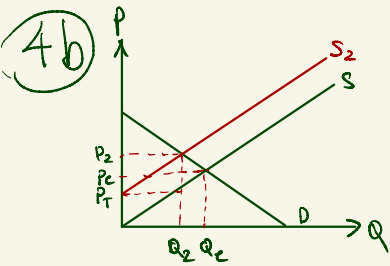
$$\begin{aligned}
 (3c) \quad \varepsilon_c &= \frac{\% \text{ change in quantity demanded}}{\% \text{ change in another commodity price}} \\
 &= \frac{\% \Delta Q_d^a}{\% \Delta P^b} \quad \Bigg| \quad = \frac{20}{2500} \cdot \frac{3000 - 2500}{25 - 20} \\
 &= \frac{P^b}{Q^a} \cdot \frac{Q_2^a - Q_1^a}{P_2^b - P_1^b} \quad \Bigg| \quad = 0.8
 \end{aligned}$$

3d substitute

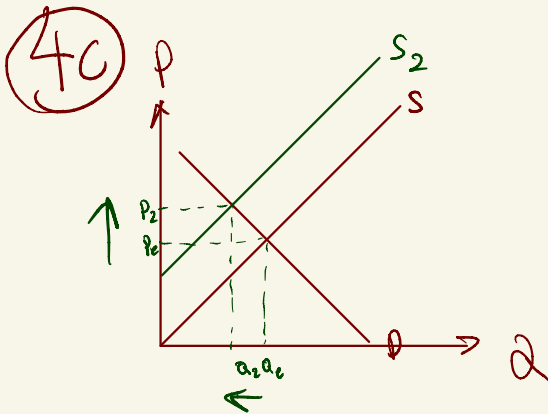
$\therefore$ When sweetened green tea price increases, ppl would buy super drink instead as it is cheaper.



This campaign will effect how consumers want to buy liquor less. This means the demand will decrease. The demand curve shift left and make a new equilibrium with lower price and quantity.

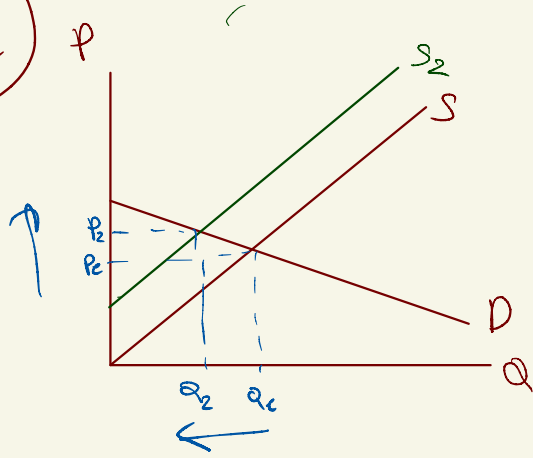


collecting unit tax on seller will increase the price. This will shift the supply curve upward. The new equilibrium and the price rise up, but the quantity fall down.



For alcoholic, the liquor is necessary, so the demand curve will be inelastic. Even though the price increases, the quantity demand would not effect that much, but also decrease by a little.

4C



For occasional drinkers, the liquor is not necessary, so the demand curve will be elastic. When the price goes up just a little, the quantity demanded will decrease a lot.