Unit 2.8 Government Intervention in Markets

AP Microeconomics — 38 Questions

题库 Per-Unit Taxes

1. 题库 Unit 2 S&D Q2

After the government imposed a $0.20 per gallon tax on gasoline, the price of a gallon of gasoline increased from $1.00 to $1.15. Which of the following statements is true?

(A) Consumers bear the entire burden of the tax.
(B) Producers bear the entire burden of the tax.
(C) Consumers bear more of the tax burden than producers.
(D) Producers bear more of the tax burden than producers.
(E) Consumers and producers share the tax burden equally.

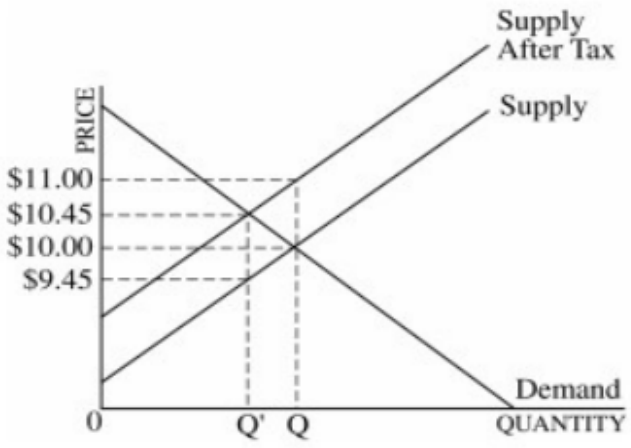
2. 题库 Unit 2 S&D Q42

If the market demand for a good is inelastic and the supply is elastic, which of the following is true when there is an increase in sales tax?

(A) Consumers will bear most of the burden of the tax.
(B) Producers will bear most of the burden of the tax.
(C) The burden of the tax will be shared equally by consumers and producers.
(D) Consumers will bear none of the burden of the tax.
(E) The total revenue of the producers will increase.

3. 题库 Unit 2 S&D Q45

The following questions are based on the diagram below, which shows the effect of a unit tax placed on a good.



According to the diagram, what is the dollar amount of the unit tax?

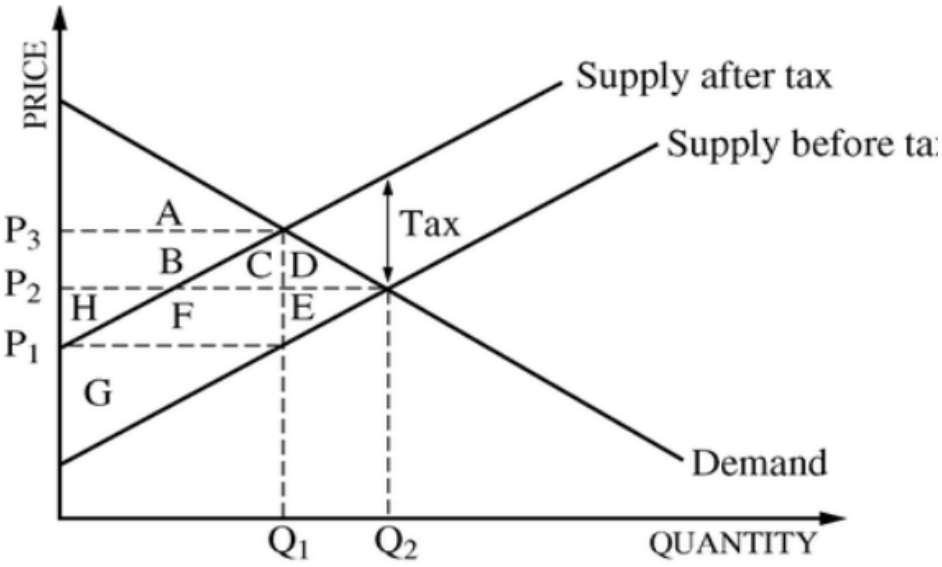
(A) $0.00
(B) $0.45
(C) $0.55
(D) $1.00
(E) $1.45

4. 题库 Unit 2 S&D Q46

What is the price paid by consumers and the net price received by producers after the tax is paid?

	Paid by Consumers	Received by Producers
(A)	$10.45	$10.00
(B)	$10.45	$9.45
(C)	$11.00	$10.00
(D)	$10.00	$9.45
(E)	$11.00	$10.45

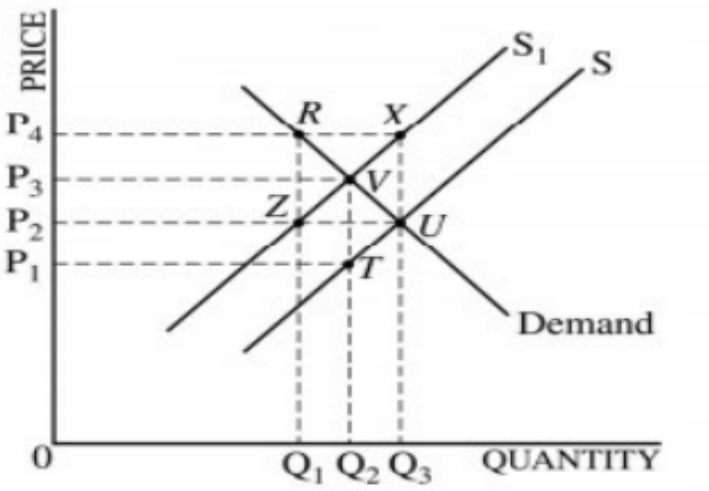
5. 题库 Unit 2 S&D Q71



The graph above shows the market for good X. The letters in the graph denote the enclosed areas. If the government imposes an excise tax of *t* dollars on each unit of good X, which of the following represents the consumer surplus, producer surplus, and deadweight loss after the imposition of the tax?

	Consumer Surplus	Producer Surplus	Deadweight Loss
(A)	A	G	D + E
(B)	A	F + E	D + E
(C)	A + B	G + F + E	C + D
(D)	A + B + H	G + F	D + E
(E)	A + B + H	G + F + C	E

6. 题库 Unit 2 S&D Q79



In the graph above, S is the original supply curve, and S_1 is the supply curve including an excise tax. The area representing the tax revenue to the government is

(A) P_1P_3VT

(B) P_2P_4RZ

(C) P_2P_4XU

(D) P_2UQ_20

(E) P_3VQ_20

7. 题库 Unit 2 S&D Q121

Assume that the government imposes an excise tax on the consumption of a good. The tax will have the least impact on the market equilibrium quantity for which of the following combinations of the price elasticities of demand and supply?

	Price Elasticity of Demand	Price Elasticity of Supply
(A)	Elastic	Elastic
(B)	Elastic	Inelastic
(C)	Inelastic	Elastic
(D)	Inelastic	Inelastic
(E)	Unit elastic	Elastic

8. 题库 Unit 2 S&D Q136

Assume that both the supply of and the demand for a good are relatively price elastic. The imposition of a per-unit excise tax on the sale of the good would cause the equilibrium price and quantity to change in which of the following ways?

	Price	Quantity
(A)	Increase	Increase
(B)	Increase	Decrease significantly
(C)	Decrease	Increase
(D)	Decrease	Decrease
(E)	Not change	Decrease slightly

9. 题库 Unit 2 S&D Q187

Suppose that the government imposes a per-unit tax on the producers of a good that has a perfectly inelastic demand. After the tax, the price and quantity of the good sold would change in which of the following ways?

	Price	Quantity
(A)	Increase	Increase
(B)	Increase	Decrease
(C)	Increase	Not change
(D)	Not change	Increase
(E)	Decrease	Not change

10. 题库 Unit 2 S&D Q172

Suppose that the market supply curve for shoes is upward sloping and the market demand curve is downward sloping. How will the imposition of a sales tax on shoes affect the consumer surplus, the producer surplus, and the total surplus?

	Consumer Surplus	Producer Surplus	Total Surplus
(A)	Decrease	Decrease	Decrease
(B)	Decrease	Increase	Increase
(C)	Decrease	Increase	Decrease
(D)	Increase	Decrease	Decrease
(E)	Increase	Increase	Increase

11. 题库 Unit 2 S&D Q53

Assume that the price elasticity of demand for good X is constant and equal to −0.5 and the price elasticity of demand for good Y is constant and equal to −2. Assume that goods X and Y have identical upward-sloping supply curves. If a per-unit excise tax of the same amount is levied on good X and on good Y, which of the following would be true?

(A) The percentage decrease in the quantity of good X demanded would be greater than the percentage decrease in the quantity of good Y demanded.
(B) The tax share paid by consumers of good X would be relatively higher than that paid by consumers of good Y.
(C) The tax share paid by consumers of good Y would be relatively higher than that paid by consumers of good X.
(D) The tax share paid by sellers of good Y would be relatively lower than that paid by sellers of good X.
(E) The tax share paid by sellers of goods X and Y would be the same.

题库 Price Ceilings

12. 题库 Unit 2 S&D Q4

Assume that the government imposes a binding price ceiling on a market for an inferior good. Which of the following is most likely to occur in the market if consumers' incomes increase?

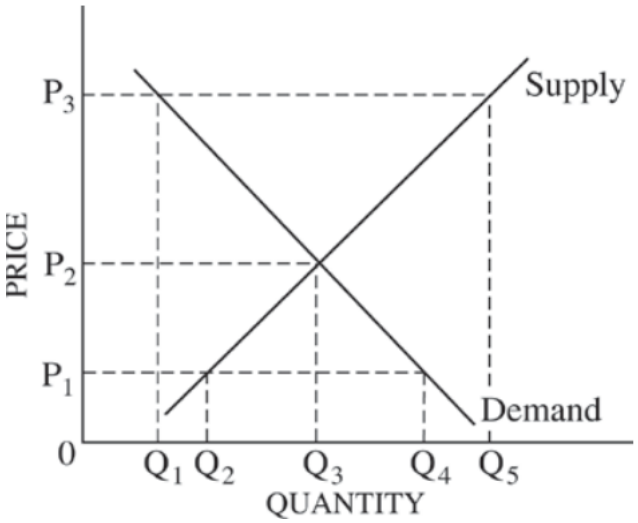
(A) The market surplus will increase.
(B) The market shortage will decrease.
(C) The market shortage will increase.
(D) The equilibrium price will increase.
(E) The equilibrium quantity will increase.

13. 题库 Unit 2 S&D Q141

In the rental housing market, what would be the effect of a rent control that was set at the market equilibrium rental price?

(A) It would increase the number of housing units available, creating a surplus.
(B) It would decrease the number of housing units available, creating a shortage.
(C) It would have no impact on the number of housing units available.
(D) It would increase the consumer surplus and decrease the producer surplus.
(E) It would decrease the consumer surplus and increase the producer surplus.

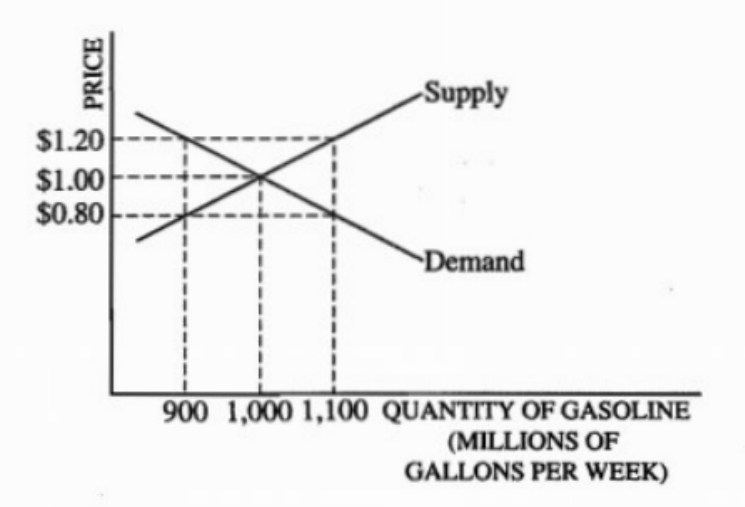
14. 题库 Unit 2 S&D Q143



If the market depicted in the diagram above is initially in equilibrium, which of the following will result from the government's setting a price ceiling at P_3?

(A) Quantity demanded will exceed quantity supplied.
(B) Quantity supplied will exceed quantity demanded.
(C) Market price will increase.
(D) Market price will be unaffected.
(E) Market price will decrease.

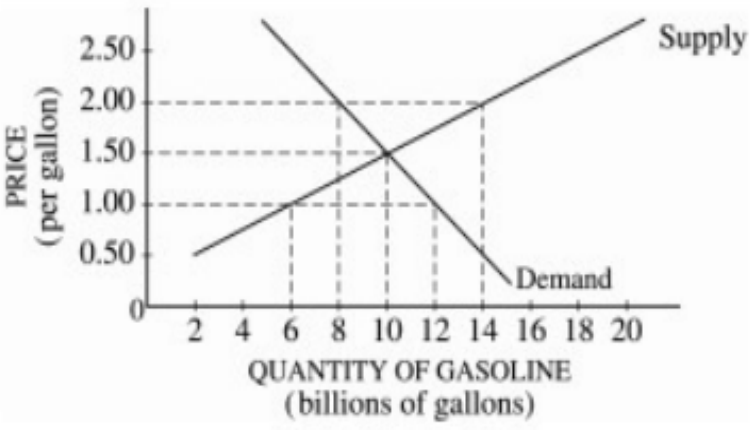
15. 题库 Unit 2 S&D Q144



The graph above shows the supply and demand curves for gasoline. Which of the following will occur if the government establishes a price ceiling of $1.20 per gallon?

(A) A shortage of 900 million gallons
(B) A shortage of 200 million gallons
(C) A shortage of 100 million gallons
(D) A surplus of 100 million gallons
(E) Neither a surplus nor a shortage

16. 题库 Unit 2 S&D Q145



In the market depicted in the diagram above, if the government imposes a price ceiling of $1.00 per gallon on gasoline, which of the following will result?

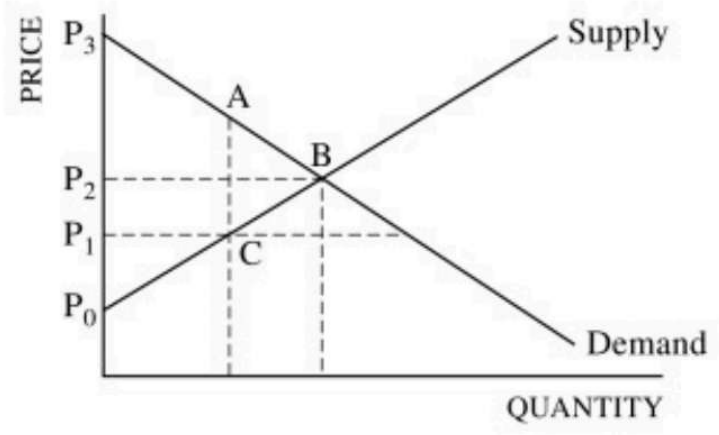
(A) A surplus of 6 billion gallons
(B) A shortage of 6 billion gallons
(C) A surplus of 12 billion gallons
(D) A shortage of 12 billion gallons
(E) Neither a surplus nor a shortage, because the price ceiling would not be effective

17. 题库 Unit 2 S&D Q171

If an effective rent ceiling is eliminated, which of the following is most likely to occur in the rental housing market?

(A) An increase in the demand for housing, resulting in a decrease in the quantity of housing supplied
(B) An increase in rents, resulting in an increase in the quantity of housing supplied
(C) An increase in the demand for housing, resulting in an increase in the quantity of housing demanded
(D) A decrease in rents, resulting in an increase in the quantity of housing supplied
(E) A decrease in the demand for housing, resulting in an increase in the quantity of housing supplied

18. 题库 Unit 2 S&D Q73

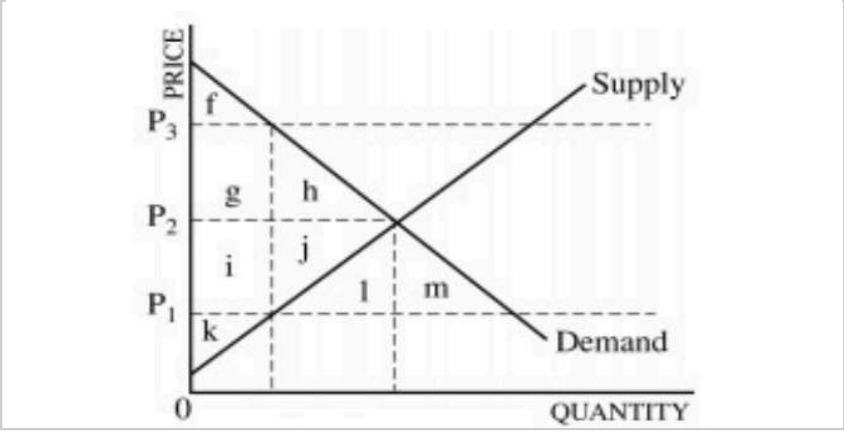


In the diagram above, if there is a price ceiling set at P_1, consumer surplus will be represented by the area

(A) ABC
(B) P_3BP_0
(C) P_3BP_2
(D) P_3ACP_1
(E) P_3BCP_1

19. 题库 Unit 2 S&D Q146

The following questions refer to the diagram below. The letters on the graph represent enclosed areas.



If a price ceiling is set at P_1, which of the following areas represent the resulting consumer surplus, producer surplus, and deadweight loss?

	Consumer Surplus	Producer Surplus	Deadweight Loss
(A)	f	k	l + m
(B)	f + g + h	k + l	h + j
(C)	f + g + h	i + j + k	l + m
(D)	f + g + i	k	h + j
(E)	f + g + i	h + j	l + m

题库 Price Floors

20. 题库 Unit 2 S&D Q50

If the government eliminates an effective minimum wage in a competitive labor market, which of the following is true?

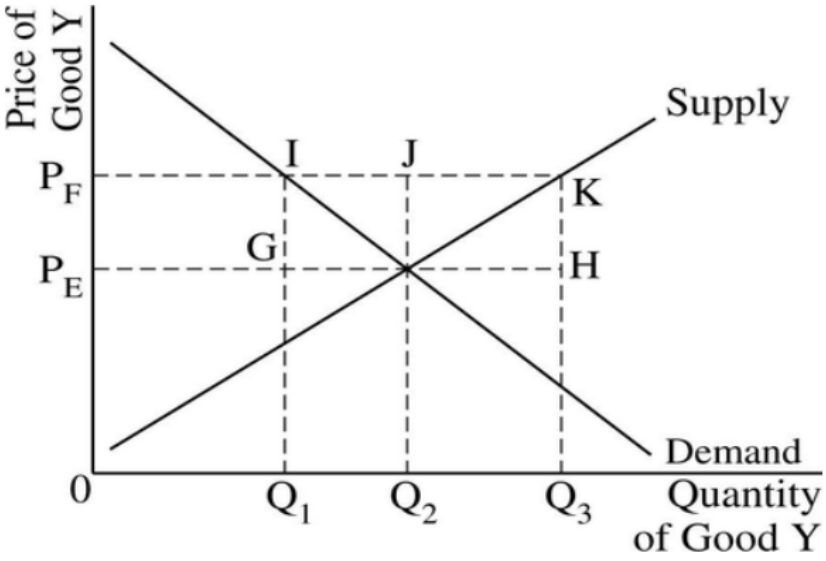
(A) Minimum wage workers will experience no change in hourly pay.
(B) Minimum wage workers will experience an increase in hourly pay.
(C) The equilibrium wage will decrease and the quantity of labor employed will increase.
(D) The equilibrium wage will decrease and the quantity of labor employed will decrease.
(E) The equilibrium wage will increase and the quantity of labor employed will increase.

21. 题库 Unit 2 S&D Q62

If the minimum wage for teenagers increased to a rate higher than their market equilibrium wage, what would be the effect on their wage and employment?

	Wage	Employment
(A)	Increase	Increase
(B)	Increase	Decrease
(C)	Decrease	Increase
(D)	Decrease	Decrease
(E)	No change	Decrease

22. 题库 Unit 2 S&D Q77



The diagram above depicts the demand and supply curves for good Y. The perfectly competitive market is initially in equilibrium, but the government decides to institute a price floor program by setting the price of good Y at P_F and agrees to purchase all unsold units of good Y from the producers. The cost of this program to the government is represented by which of the following areas?

(A) $0P_FJQ_2$
(B) $0P_EKQ_3$
(C) GIKH
(D) Q_1IJQ_2
(E) Q_1IKQ_3

23. 题库 Unit 2 S&D Q80

Price per Gallon	Quantity Supplied	Quantity Demanded
$2.50	11,000	17,000
$2.75	12,000	16,000
$3.00	13,000	15,000
$3.25	14,000	14,000
$3.50	15,000	13,000
$3.75	16,000	12,000

The table above shows the quantity of gasoline supplied and demanded at various prices in a country. If the government sets a price floor of $2.75 on a gallon of gasoline, what is the price per gallon?

(A) $2.75
(B) $3.00
(C) $3.25
(D) $3.50
(E) $3.75

24. 题库 Unit 2 S&D Q111

An effective minimum wage policy in a competitive market will increase unemployment and increase the total earnings of labor only if the demand for labor is

(A) perfectly inelastic
(B) inelastic
(C) unit elastic
(D) elastic
(E) perfectly elastic

25. 题库 Unit 2 S&D Q130

Suppose that the market for low-wage labor is perfectly competitive and initially in equilibrium. If the government establishes an effective minimum wage, which of the following will occur?

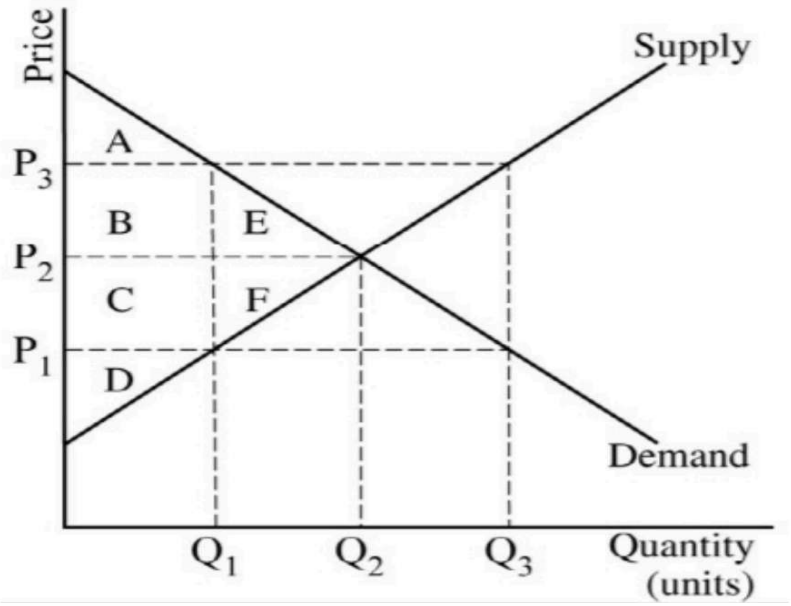
(A) Employment of low-wage workers will decrease and unemployment will increase.
(B) The quantity of low-wage workers supplied will be less than the quantity demanded.
(C) The total wage payment received by all low-wage workers will increase.
(D) Economic efficiency will increase, since firms were paying workers less than the value of their marginal revenue product.
(E) Low-wage workers will be motivated to form a union.

26. 题库 Unit 2 S&D Q6

The supply curve for a particular good is perfectly vertical at 1,000 units. At the equilibrium price of $20, the demand for the good is 1,000 units. The government imposes a price floor of $30 in this market. As a result of the price floor, consumer surplus will

(A) increase because consumers will buy the same quantity of the good at a higher price
(B) increase because consumers will buy more of the good at a higher price
(C) decrease because consumers will buy fewer units of the good at a higher price
(D) decrease because consumers will buy the same quantity of the good at a higher price
(E) remain unchanged because consumers will buy the same quantity of the good at the same price

27. 题库 Unit 2 S&D Q81



Suppose the government sets a price floor at $9 in the market. The resulting consumer surplus, producer surplus, and deadweight loss will be which of the following?

	Consumer Surplus	Producer Surplus	Deadweight Loss
(A)	B + E	C + F	A + B
(B)	A + B	C + D	E + F
(C)	A	C + D + F	E
(D)	A + B + E	C + D + F	0
(E)	A	B + C + D	E + F

题库 Tariffs

28. 题库 Unit 2 S&D Q186

Country Z is both a producer and an importer of cloth. Which of the following will happen if the government of Country Z imposes a tariff on cloth and the country continues to import some cloth from abroad?

(A) There will be a decrease in domestic producer surplus.
(B) There will be an increase in the quantity demanded for cloth.
(C) As the country produces more cloth, there will be an efficiency gain for the economy.
(D) There will be a decrease in consumer surplus for domestic consumers.
(E) The domestic consumption of cloth will increase.

真题 Multiple Choice

29. 2021 AP Micro MCQ Q4

If a binding minimum wage increases in a perfectly competitive labor market, then which of the following will likely occur in the labor market?

(A) The supply of workers will increase.
(B) The supply of workers will decrease.
(C) The demand for workers will increase.
(D) The demand for workers will decrease.
(E) The quantity of workers supplied will increase.

30. 2021 AP Micro MCQ Q5

Assume that the government imposes a binding price ceiling on a market for an inferior good. Which of the following is most likely to occur in the market if consumers' incomes increase?

(A) The market demand will shift to the right.

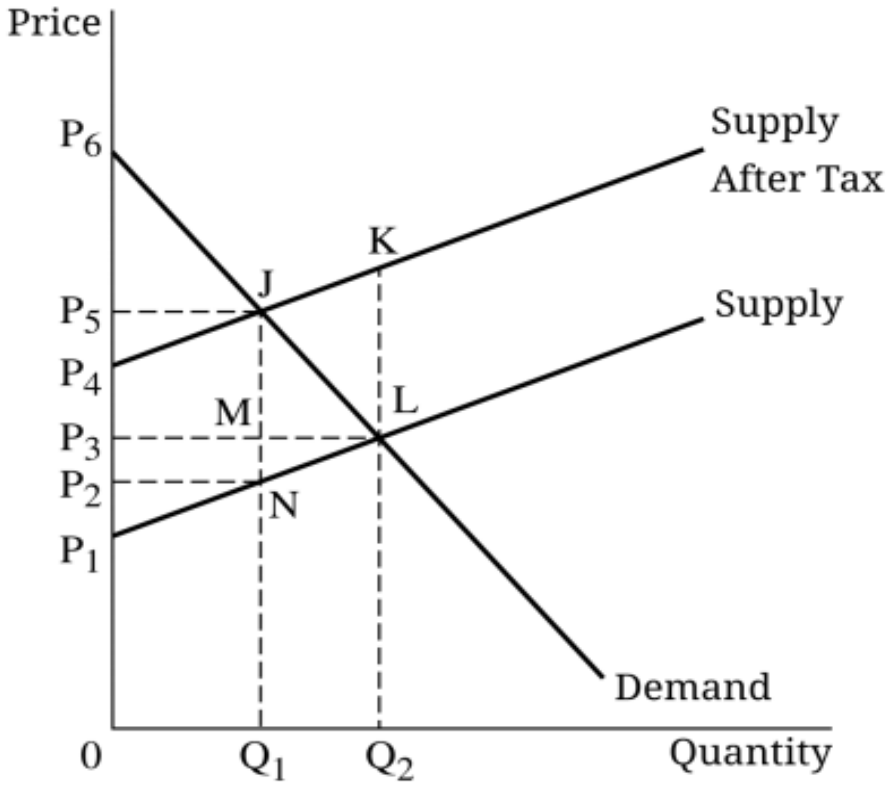
(B) The market supply will shift to the right.

(C) The shortage in the market will decrease.

(D) The surplus in the market will increase.

(E) The market price will increase.

31. 2022 AP Micro MCQ Q17



The graph provided shows the imposition of a per-unit tax on producers. Which areas represent government tax revenue, producer surplus, and deadweight loss after the imposition of the tax?

(A) Government tax revenue is $P_3P_5M_1$; Producer surplus is P_1P_3L; Deadweight loss is JNL

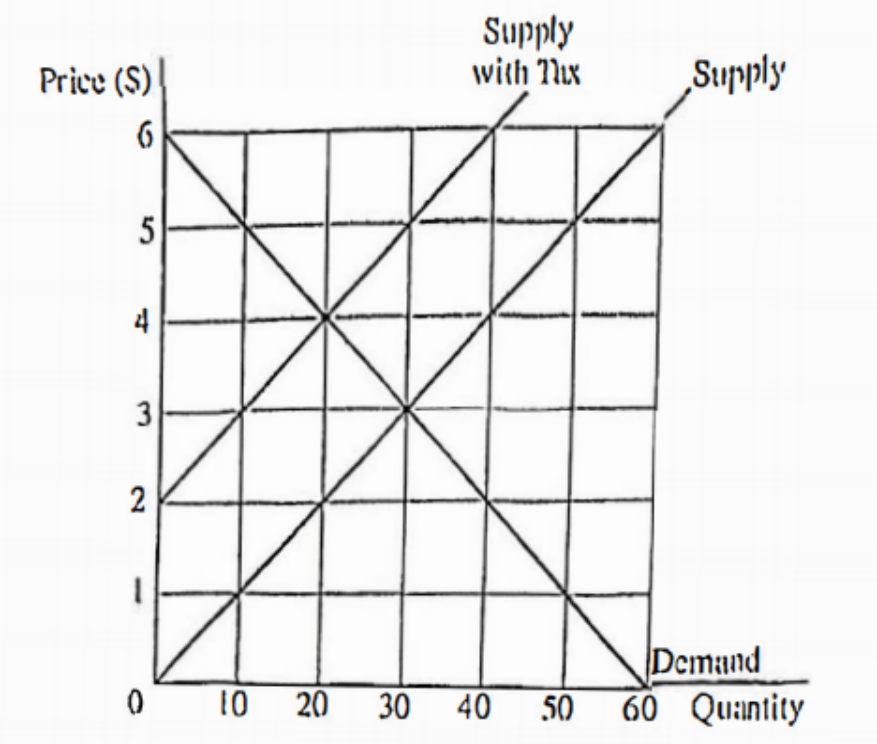
(B) Government tax revenue is $P_3P_5N_1$; Producer surplus is P_4P_5J; Deadweight loss is P_4P_5J

(C) Government tax revenue is JNL; Producer surplus is P_3P_5NM; Deadweight loss is MLN

(D) Government tax revenue is $P_4P_5N_1$; Producer surplus is P_1P_3N; Deadweight loss is JNL

(E) Government tax revenue is $P_3P_5M_1$; Producer surplus is P_1P_3L; Deadweight loss is JML

32. 2024 AP Micro MCQ Q24



The provided graph shows the imposition of a per-unit tax on the market for a good. After the tax is imposed, what is the change in producer surplus?

(A) It will decrease by $25.
(B) It will decrease by $40.
(C) It will increase by $90.
(D) It will increase by $40.
(E) It will increase by $25.

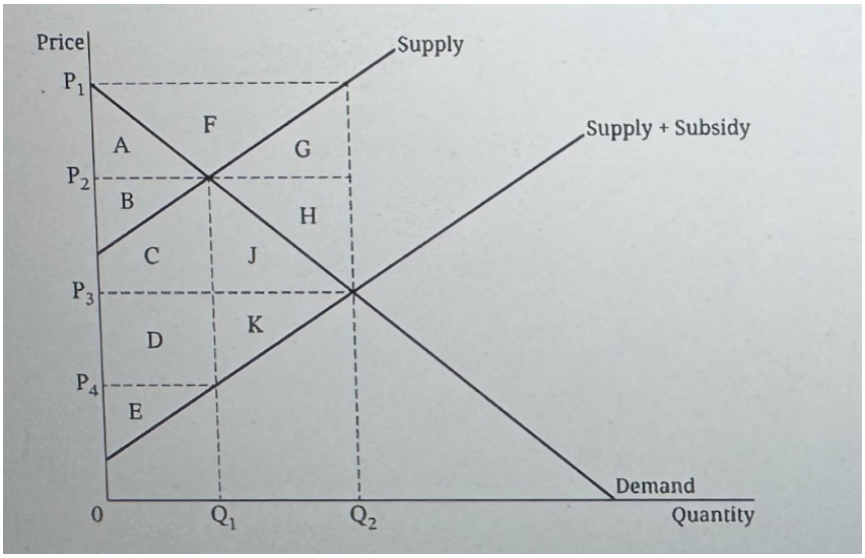
33. 2025 AP Micro MCQ Q11

If the government imposes a binding price ceiling in the gasoline market, which of the following will occur in the short run?

(A) The demand for gasoline will increase.
(B) The demand for gasoline will decrease.
(C) The quantity demanded of gasoline will increase.
(D) All individuals in the gasoline market will be better off.
(E) All individuals in the gasoline market will be worse off.

34. 2025 AP Micro MCQ Q41–Q42

Questions 41 and 42 refer to the following. The graph shows a per-unit subsidy being granted to producers of Good X. The letters on the graph represent enclosed areas.



Q41. What is the total cost of the per-unit subsidy to the government?

(A) Areas B, C, and J
(B) Areas B, C, and D
(C) Areas A, F, and G
(D) Areas A, B, C, F, G, H, and J
(E) Areas A, B, C, D, F, J, and K

Q42. The change in consumer surplus as a result of the per-unit subsidy granted to producers of Good X is equal to

(A) zero
(B) Area A
(C) Area J
(D) Areas J and K
(E) Areas B, C, and J

35. 2021 AP Micro MCQ Q25

If the imposition of a per-unit tax on a good reduces the total consumer surplus by more than the reduction of total producer surplus in a competitive market, then which of the following is true?

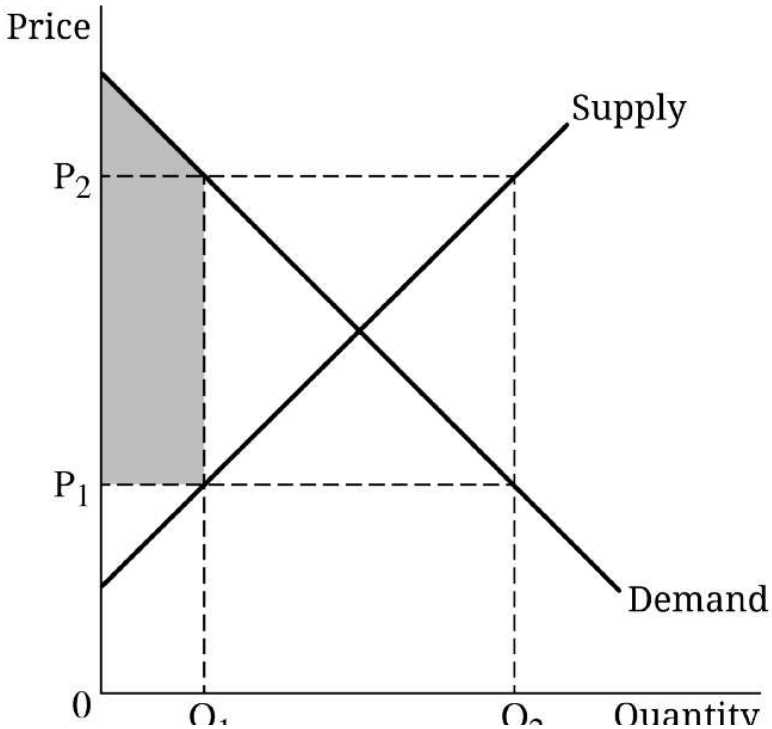
(A) The price sellers receive decreases by more than the amount of the tax.
(B) The price buyers pay increases by more than the amount of the tax.
(C) Demand is less elastic than supply.
(D) Demand is more elastic than supply.
(E) Demand and supply are both unit elastic.

36. 2022 AP Micro MCQ Q48

An effective price floor placed on a market for a good will have which of the following effects on the quantity purchased by consumers and the consumer surplus?

(A) Quantity will decrease, and consumer surplus will increase.
(B) Quantity will decrease, and consumer surplus will not change.
(C) Quantity will increase, and consumer surplus will not change.
(D) Quantity will increase, and consumer surplus will increase.
(E) Quantity will not change, and consumer surplus will decrease.

37. 2023 AP Micro MCQ Q9



Consumer surplus could be the shaded area in which of the following situations?

(A) A price floor set at P_1 in the market

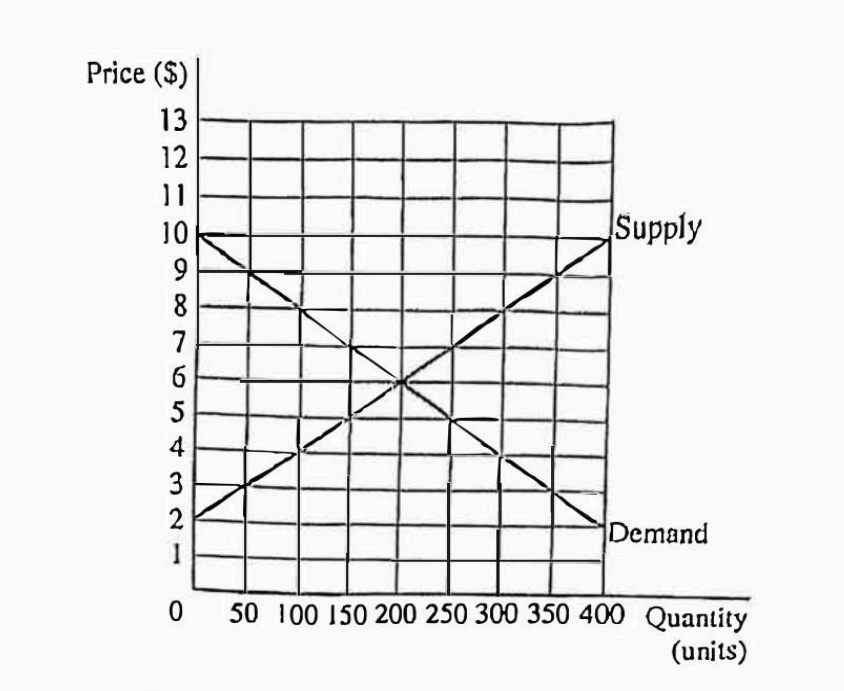
(B) A price floor set at P_2 in the market

(C) A price ceiling set at P_1 in the market

(D) A per-unit subsidy equal to $P_2 - P_1$ granted to producers

(E) A per-unit tax equal to $P_2 - P_1$ imposed on producers

38. 2024 AP Micro MCQ Q48



The market in the graph provided is currently in equilibrium. The government wishes to increase the equilibrium quantity of this good to 300 units. Which of the following interventions will achieve the government's goal?

(A) Implementing a price floor at $4

(B) Imposing a $2 per-unit tax on producers

(C) Granting a $2 per-unit subsidy to consumers

(D) Granting a $2 per-unit subsidy to consumers and imposing a $2 per-unit tax on producers

(E) Granting a $2 per-unit subsidy to consumers and granting a $2 per-unit subsidy to producers