**Economics 1.2.9**

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| **Concept** | **Explanation (use a diagram)** | **Example** |
| Indirect Tax |  |  |
| Subsidy |  |  |
| Incidence of Tax |  |  |
| Show using a diagram how the impact of a subsidy depends upon the Price elasticity of demand | Explain using a diagram how the impact of an ad valorem tax depends upon the Price elasticity of demand |
| Explain the impact of a subsidy upon consumer and producer surplus | Explain the impact of an ad valorem tax upon consumer and producer surplus |