

Multiple Choice

- 1-5 A B D A B
- 6-10 A C C B C
- 11-15 E E C A B
- 16-20 E B B E B
- 21-23 A D B

Short Answer

1. The # of cigarettes per pack would increase. The amount of tobacco in each cigarette would increase. Both are a way of implicitly avoiding the tax. More Monday.
2. Similar to #1. If all alcoholic beverages were taxed based on volume alone, this makes those high-volume forms of alcohol more expensive. Thus we will see more liquor and less beer being consumed.
3. Three points are:
 - 0 PR, 40 ZC - endpoint
 - 15 PR, 0 ZC - endpoint
 - 5 PR, 30 ZC - kink