

11 A government imposes a specific indirect tax on a product.

When will the tax cause the greatest reduction in consumer surplus for the buyers of the product?

- A** When the product has price elastic demand and price elastic supply.
- B** When the product has price elastic demand and price inelastic supply.
- C** When the product has price inelastic demand and price elastic supply.
- D** When the product has price inelastic demand and price inelastic supply.