

28 The US puts a 25% tariff on Chinese steel to protect jobs in the US steel industry.

Under which condition would this policy be most effective?

A The price elasticity of demand for Chinese steel is -2.5 .

B The price elasticity of demand for Chinese steel is -0.5 .

C The price elasticity of supply for Chinese steel is 2.5 .

D The price elasticity of supply for Chinese steel is zero.