

**13. Incorrect. The answer is true not false.** The more responsive side of the market passes more of the tax to the other side of the market. This can be seen from the formula  $dP/dP_s = E_s/E_d$ . Looking at the numerators, if supply is more elastic, the price change is larger for demand. Alternatively, looking at denominators, if demand is more elastic, the price change is larger for supply.