Even though New York City had the highest per pack price for cigarettes in the US in 2017, the city still had approximately 900,000 smokers, 15,000 of whom were adolescents. Furthermore, there were 174,000 adults and 42,000 adolescents using e-cigarettes. In an effort to reduce the numbers of smokers and e-cigarette users, Mayor Bill de Blasio announced a series of legislative proposals, which included a significant increase in the per pack cigarette tax:

*“We're going to raise the floor on the cost of a pack of cigarettes from $10.50 to $13 — the highest price in the country.*

*— Bill de Blasio (@NYCMayor) April 19, 2017”*

Focusing on the effects of these taxes, rank the following groups by the percentage changes in the consumer surplus (from largest reduction to the greatest increase, if such is present). Consider only short-term effects of the changes in the markets. For this activity, assume that only the cigarette (but not the e-cigarette) market is affected by the tax. Back up your arguments with graphical representation of relevant market segments.

A. Adult smokers. B. Adult e-cigarette users.

C. Adolescent smokers. D. Adolescent e-cigarette users.

E. Non-smokers.