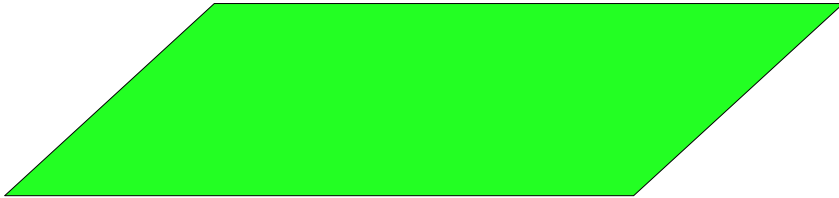


How the government determined the land price ...

In Feudal Age ...



The farmer produced **3,000 kg rice** on this piece of land.

He payed the land tax, **1,500 kg rice**, to the Government.

The Government calculated the price of this land as follows ...

If the rice price is ₪20/kg, then the price of this land should be

$$(\text{₪}20 \times 1,500) \times \frac{100}{3} = \text{₪}1,000,000$$

The farmer has to pay **₪30,000** as land tax to the Government.

What would happen if the rice price rises to ₪25/kg? 1,500 kg rice has now a value of **₪37,500**. The landowner has to pay **₪30,000** as land tax to the Government. **₪7,500** would be a surplus for him.