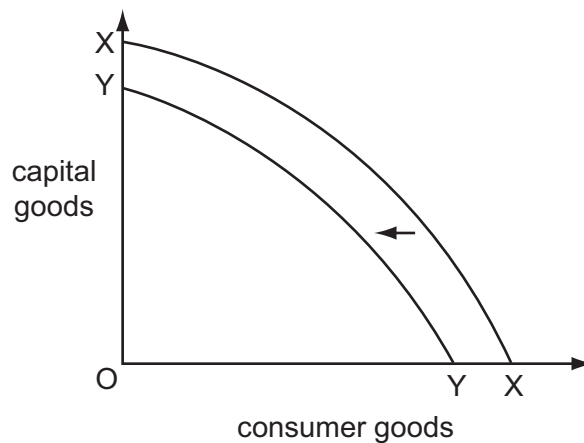


- 1 A country's production possibility curve moves from XX to YY as shown in the diagram.



What could have caused this movement?

- A a rise in technological progress
  - B a rise in the retirement age
  - C an increase in investment
  - D an increase in net emigration
- 2 What would explain why the transition from a planned economy to a market economy often results in a decrease in national output in the short run?
- A an accompanying decrease in inward investment
  - B an accompanying decrease in the wish to save
  - C an accompanying increase in inward migration
  - D an accompanying increase in structural unemployment