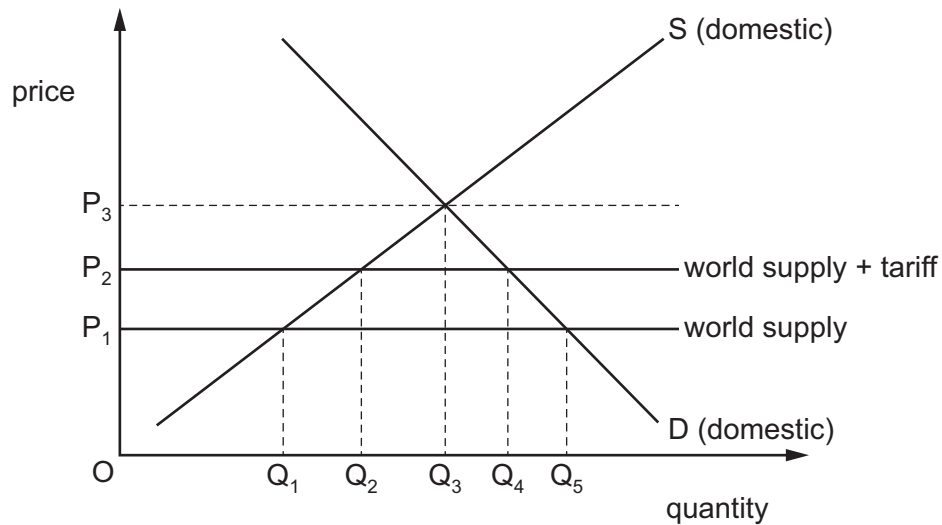


27 The diagram shows the domestic and world demand and supply for a good.



The government imposes a tariff on imports of the good.

What will happen to the quantity imported?

- A It will fall from Q_1Q_3 to Q_2Q_3 .
- B It will fall from Q_1Q_5 to Q_2Q_4 .
- C It will fall from Q_2Q_5 to Q_3Q_4 .
- D It will fall from OQ_5 to OQ_4 .

28 What is an example of a supply-side policy?

- A an import quota to restrict the supply of goods
- B a rise in interest rates to encourage the supply of savings
- C a specific tax on the supply of goods to raise revenue
- D a subsidy to businesses to promote the supply of training courses