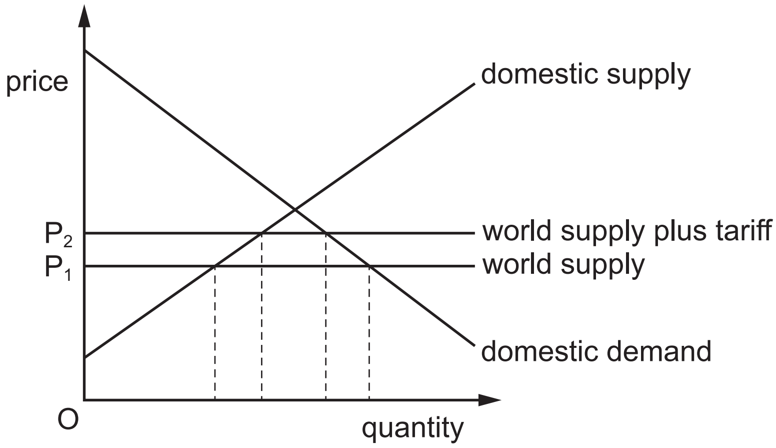
27 The diagram shows the effect of introducing a tariff on a product.



What determines the producer surplus that the tariff generates for domestic producers?

A the price elasticities of domestic supply and demand

B the tariff rate and the price elasticities of both domestic demand and supply

C the tariff rate and the price elasticity of domestic demand

D the tariff rate and the price elasticity of domestic supply

28 Which government policy is most likely to cause expenditure switching that will benefit a country's current account?

A increasing import quotas

B increasing income tax allowances

C increasing spending on unemployment benefits

D increasing subsidies to domestic firms

29 Which type of economic policy is likely to be considered the most effective by a government that has greater income equality as its primary aim?

A fiscal policy

B international trade policy

C monetary policy

D supply side policy