

- 17** A Southern African government was concerned about the market influence of a large producer and was keen to take control of the company.

What might be the possible result of this?

- A** an increase in the role of the market
- B** an increase in public ownership
- C** an increase in the role of the consumer
- D** an increase in the amount of competition

- 18** What describes a regressive tax?

- A** All taxpayers pay the same proportion of income in taxes.
- B** High-income earners pay a lower proportion of income in taxes than low-income earners.
- C** High-income earners pay less in taxes than low-income earners.
- D** High-income earners pay more in taxes than low-income earners.

- 19** A country has a fixed exchange rate.

Which combination of problems would be most likely to cause the country's government to reduce taxation and lower interest rates?

- A** demand inflation and a balance of payments current account deficit
- B** demand inflation and a low level of investments
- C** high unemployment and a balance of payments current account deficit
- D** high unemployment and a low level of investment

- 20** How can a change in consumption that increases unemployment be illustrated on an aggregate demand and aggregate supply diagram?

	effect on the aggregate demand curve	effect on the aggregate supply curve
<b>A</b>	movement down the demand curve	shift outwards
<b>B</b>	movement up the demand curve	shift inwards
<b>C</b>	shift inwards	movement down the supply curve
<b>D</b>	shift inwards	movement up the supply curve