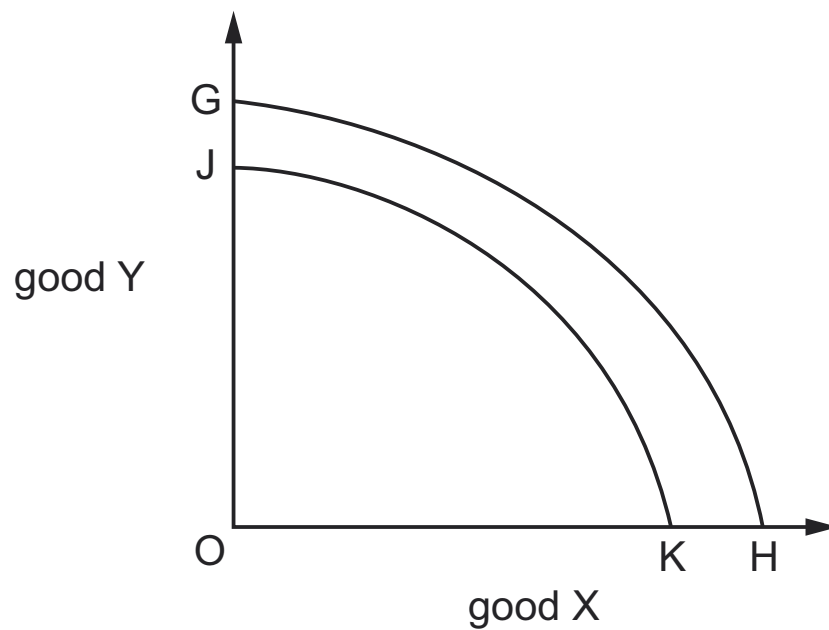


- 3 In the diagram, GH is an economy's initial production possibility curve.



What could cause the curve to shift to JK?

- A** a decrease in net exports
  - B** an increase in the average price level
  - C** an increase in the unemployment rate
  - D** net outward migration
- 4 Unemployment among young people in Spain was 56.1% in June 2013. Youth unemployment in Spain should be reduced.

Which combination correctly describes these two statements?

	unemployment among young people in Spain was 56.1% in June 2013	youth unemployment in Spain should be reduced
<b>A</b>	normative statement	normative statement
<b>B</b>	normative statement	positive statement
<b>C</b>	positive statement	normative statement
<b>D</b>	positive statement	positive statement

- 5 A government tried to increase the sales of cars by offering consumers \$3000 if they scrapped any car over 10 years old and bought a new one.

How would this be shown on a demand and supply diagram for new cars?

- A** The demand curve would move to the left.
- B** The demand curve would move to the right.
- C** There would be a shift along the demand curve to the left.
- D** There would be a shift along the demand curve to the right.