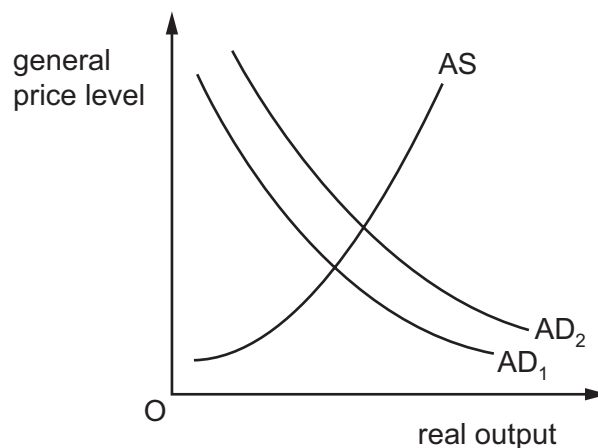20 The diagram shows the aggregate demand (AD) and aggregate supply (AS) curves for an economy.

Which situation would **not** cause a shift from AD_1 to AD_2?

A a fall in the general price level as government spending is reduced

B an easing of credit by commercial banks for household purchases of consumer goods

C an increase in earnings from exports of high-tech products

D an increase in investment by firms in computer systems

21 Which combination of changes is **most** likely to lead to an increase in the aggregate price level and the level of real output?

	income tax rate	net exports
A	fall	decrease
B	fall	increase
C	rise	decrease
D	rise	increase

22 Country W conducts 50% of its trade with country X, 30% of its trade with country Y and 20% of its trade with country Z. The initial value of the trade-weighted exchange rate of country W is 100.

Country W's currency appreciates 10% against the currency of country X, depreciates 10% against the currency of country Y and is unchanged against the currency of country Z.

What will be the new trade-weighted exchange rate?

A 100 **B** 102 **C** 102.5 **D** 200