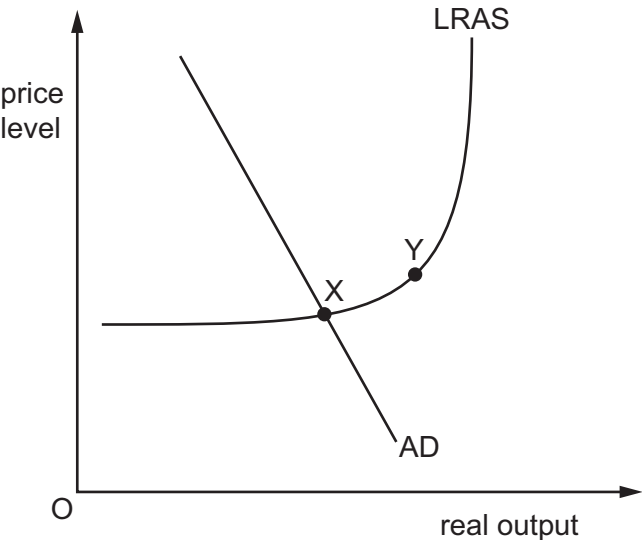


- 26** The diagram shows the long-run aggregate supply (LRAS) and aggregate demand (AD) curves for an economy.



The initial equilibrium is at point X.

Which combination of monetary policies will shift the equilibrium position to point Y?

	money supply	rate of interest
<b>A</b>	increase	increase
<b>B</b>	decrease	increase
<b>C</b>	increase	decrease
<b>D</b>	decrease	decrease

- 27** The government undertakes a policy of financing training and retraining for unemployed workers.

Which terms are most likely be used to classify this policy?

	demand-side	supply-side	fiscal	monetary
<b>A</b>	yes	no	yes	no
<b>B</b>	yes	no	no	yes
<b>C</b>	no	yes	no	yes
<b>D</b>	no	yes	yes	no