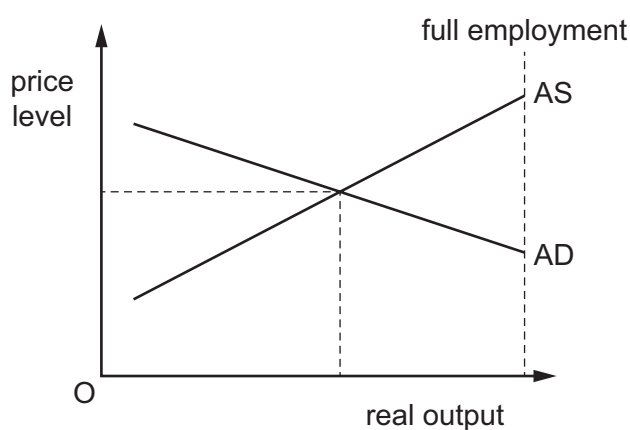


18 Following deregulation, state-owned enterprises in an economy are to be privatised.

What is least likely to result?

- A** Private companies will put customer needs before profits.
- B** Private companies will raise their own share capital.
- C** The level of incentive for the enterprises will rise.
- D** The number of companies will increase.

19 From the initial position of equilibrium shown, there is an increase in government expenditure on goods and services and simultaneously a reduction in the overall efficiency in the production of goods and services.



What best describes the likely impact on the economy?

	equilibrium level of national income	equilibrium level of prices
A	falls	uncertain
B	no change	no change
C	rises	rises
D	uncertain	rises

20 What does an aggregate demand curve show?

- A** the level of aggregate demand corresponding to different levels of aggregate supply
- B** the aggregate output demanded corresponding to different average price levels
- C** the equilibrium price level corresponding to different levels of aggregate expenditure
- D** the equilibrium level of income corresponding to different levels of aggregate expenditure