

26 The diagram shows that the imposition of a tariff raises a good's world price from \$10 to \$14.



What was the effect on total expenditure on the good?

- A It fell by \$20 million
 - B It fell by \$160 million
 - C It rose by \$220 million
 - D It rose by \$560 million
- 27 Which government measure would reduce protectionism?
- A an increase in product safety standards
 - B an increase in subsidies to domestic firms
 - C an increase in the level of import quotas
 - D an increase in the rate of import duties
- 28 What is a deflationary fiscal measure?
- A reducing interest rates
 - B reducing the money supply
 - C increasing taxes
 - D increasing government expenditure