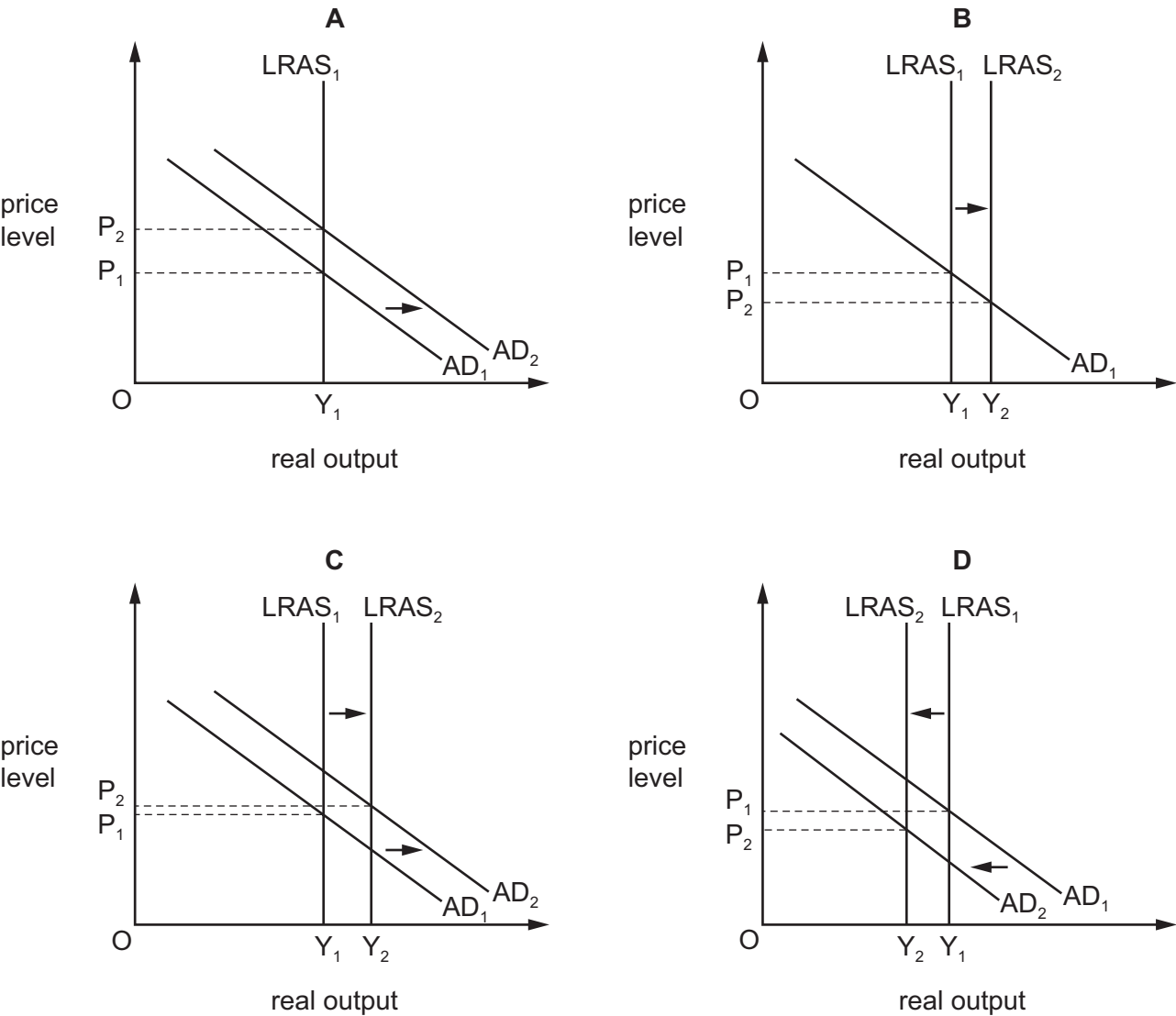


19 A government plans to increase spending on education and training every year.

Which diagram shows the likely effect of this increase on the economy’s long-run output and price level?



20 In 2012, the rate of inflation in Botswana was 7.5%. Person X kept all of their savings in the form of cash while Person Y put their savings into a bank account on which they earned 5.0% interest.

What was the effect on the real value of their savings by the end of the year?

	Person X	Person Y
A	decrease	decrease
B	decrease	increase
C	no change	decrease
D	no change	increase