25 What is the most likely cause of an outward shift of a country's aggregate demand curve?

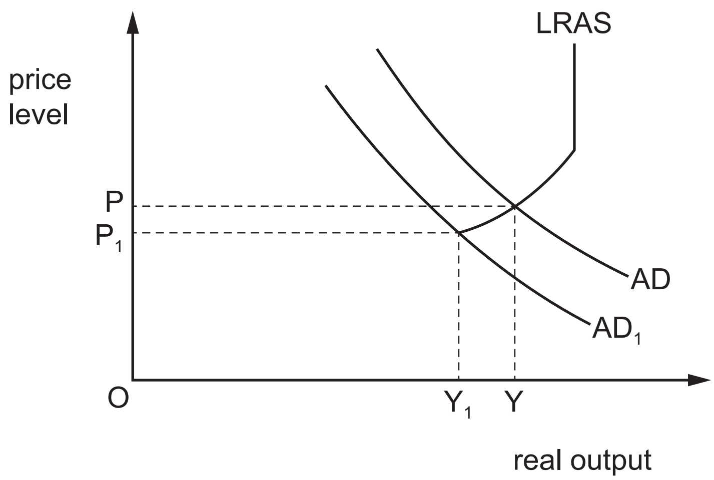
A a decrease in the competitiveness of domestically produced products

B a decrease in the general price level

C a decrease in the money supply

D a depreciation of the country's exchange rate

26 The diagram shows the macroeconomic equilibrium output and price level changing from Y and P to Y_1 and P_1.



What could have caused this change?

A a decrease in exports

B a decrease in labour productivity

C an increase in the government's spending

D an increase in the money supply

27 A country had a current account surplus of $141bn.

Which policy may its government implement to reduce this surplus in the short run?

A a decrease in direct taxes

B a decrease in regulations to encourage more foreign firms to locate in this country

C an increase of import duties

D an increase in interest rates