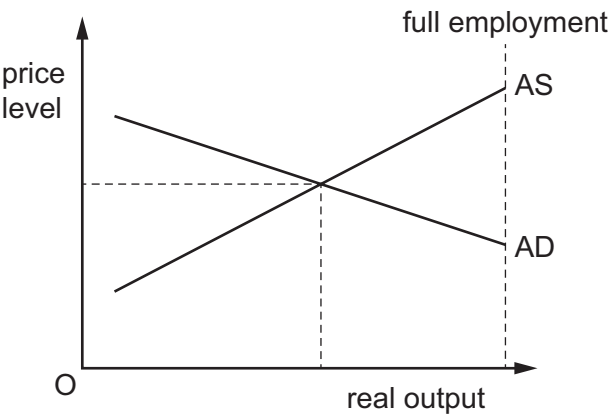


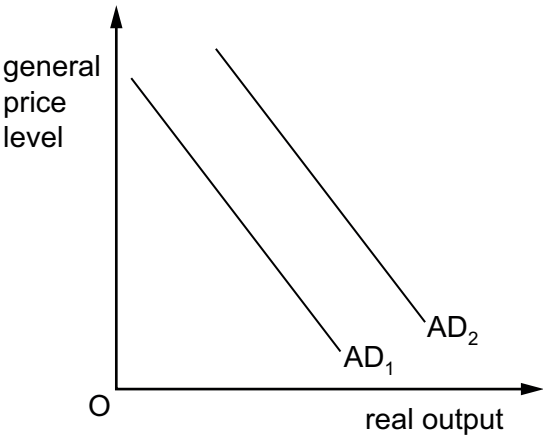
22 From the initial position of equilibrium shown, there is an increase in government expenditure on goods and services and simultaneously an increase in the costs of production of goods and services.



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

23 The diagram shows a shift in an economy’s aggregate demand curve from AD<sub>1</sub> to AD<sub>2</sub>.



What could **not** be a cause of the shift?

- A a decrease in income tax
- B a decrease in the price of goods
- C an increase in money wage rates
- D an increase in the money supply