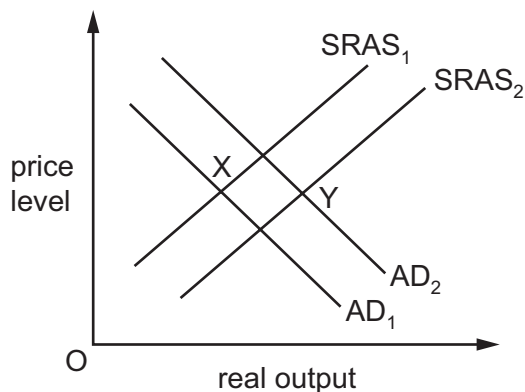


- 19 The diagram shows aggregate supply curves and aggregate demand curves for an economy.



What is most likely to cause the equilibrium position to move from X to Y?

- A a decrease in corporation tax and a decrease in labour productivity
 - B a decrease in interest rates and a decrease in electricity prices
 - C an increase in interest rates and an increase in raw material costs
 - D an increase in marginal tax rates and a decrease in labour productivity
- 20 The table shows the share of a worker's income spent on three classes of good and the percentage change in the prices of the goods over a year.

| | share of income spent on goods | change in prices of goods |
|----------|-----------------------------------|------------------------------|
| clothing | 25% | +25% |
| food | 50% | +50% |
| fuel | 25% | -25% |

Over the same period the worker's money income rises by 25%.

What happens to the worker's real income?

- A It falls by 25%.
- B It falls by 50%.
- C It rises by 25%.
- D It is unchanged.