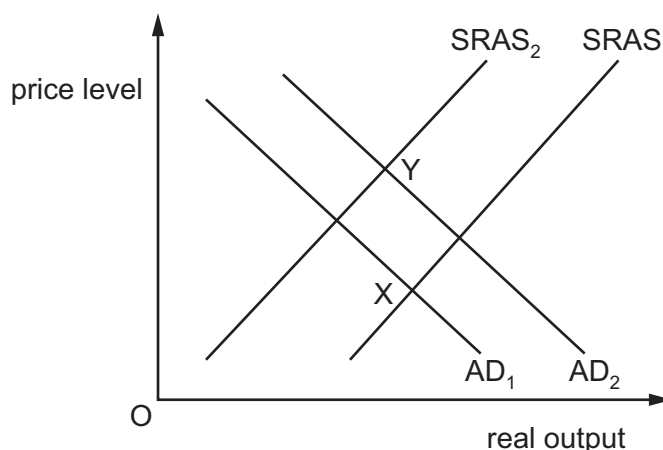


- 19 The diagram shows changes in aggregate demand and aggregate supply that have resulted in a move from equilibrium point X to equilibrium point Y.



Which combination of events could have caused this change?

- A higher interest rates and the discovery of new natural resources
  - B increased consumer confidence and reduced raw material prices
  - C less business confidence and higher indirect taxes
  - D lower exchange rate and net outward migration
- 20 What would be likely to decrease inflation in an economy?
- A a decrease in consumer saving
  - B a decrease in unemployment
  - C an increase in labour productivity
  - D an increase in taxes on imports
- 21 What is the average weighted price change illustrated by the table below?

product	percentage of income spent on product	price change %
P	10	+8
Q	15	+6
R	25	+4
S	50	-9

- A -1.8%
- B 4.5%
- C 7.2%
- D 9.0%