

**26** The diagram shows that the imposition of a tariff raises a good's world price from \$10 to \$14.



What was the effect on total expenditure on the good?

- A** It fell by \$20 million
  - B** It fell by \$160 million
  - C** It rose by \$220 million
  - D** It rose by \$560 million
- 27** Which government measure would reduce protectionism?
- A** an increase in product safety standards
  - B** an increase in subsidies to domestic firms
  - C** an increase in the level of import quotas
  - D** an increase in the rate of import duties
- 28** What is a deflationary fiscal measure?
- A** reducing interest rates
  - B** reducing the money supply
  - C** increasing taxes
  - D** increasing government expenditure