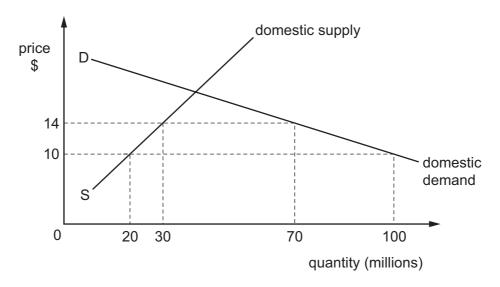
26 The diagram shows that the imposition of a tariff raises a good's world price from \$10 to \$14.



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