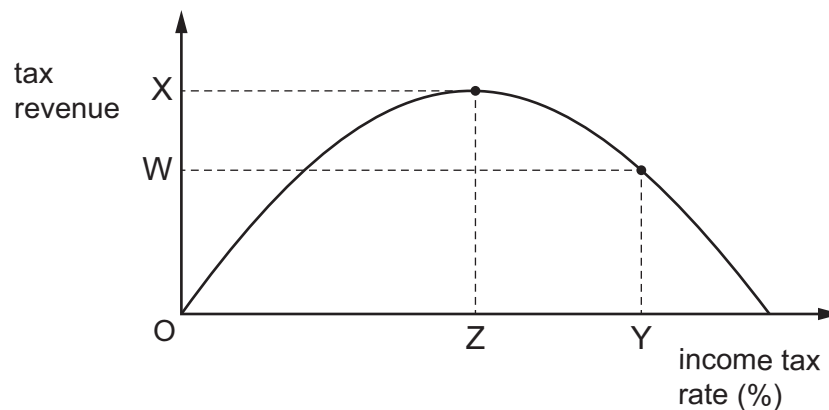


**28** Greece had an unemployment rate of over 20% in 2016.

Which combination of policies would be best for the Greek government to try to reduce unemployment?

|          | monetary policy         | government expenditure | profit tax |
|----------|-------------------------|------------------------|------------|
| <b>A</b> | decrease interest rates | increase               | decrease   |
| <b>B</b> | decrease interest rates | decrease               | increase   |
| <b>C</b> | increase interest rates | increase               | increase   |
| <b>D</b> | increase interest rates | decrease               | decrease   |

**29** The diagram shows the relationship between the income tax rate and tax revenue.



Which statement is correct?

- A** A tax rate cut from Y to Z will cause tax revenue to decrease.
- B** At tax rates below Z a tax rate cut will cause tax revenue to increase.
- C** The greater the rate of tax increases beyond Z, the smaller will be the tax revenue generated.
- D** Tax revenue will always increase as the rate of income tax increases.

**30** What would be classified as a supply-side policy measure?

- A** a law to reduce the power of trade unions
- B** a reduction in the government's fiscal deficit
- C** an open market sale of securities