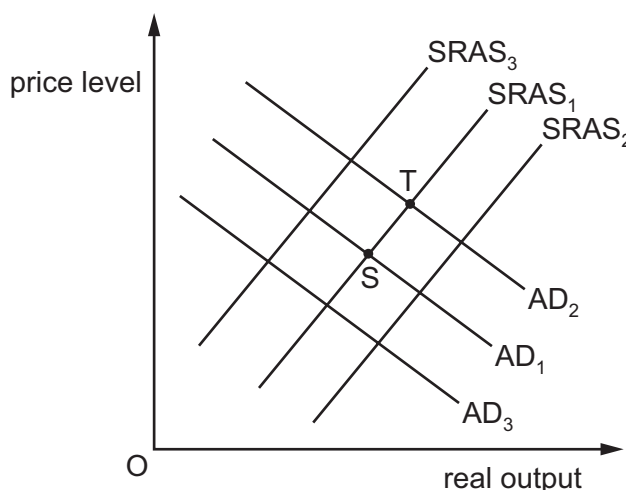


- 19 The diagram shows short-run aggregate supply and demand in an economy, where the initial equilibrium is at S.



What is most likely to cause a movement from S to T?

- A an increase in consumer expenditure and an increase in productivity
 - B an increase in consumer expenditure and a reduction in imports
 - C an increase in education and training and an increase in income tax
 - D an increase in the exchange rate and a reduction in corporation tax
- 20 The diagrams show the inflation rate over time in four countries.

Which country experiences a falling cost of living throughout the period?

