

- 15 In 2009 the Chinese government faced decreased demand in export markets and wished to increase the sales of electrical goods made in China.

Which policy would have achieved this aim?

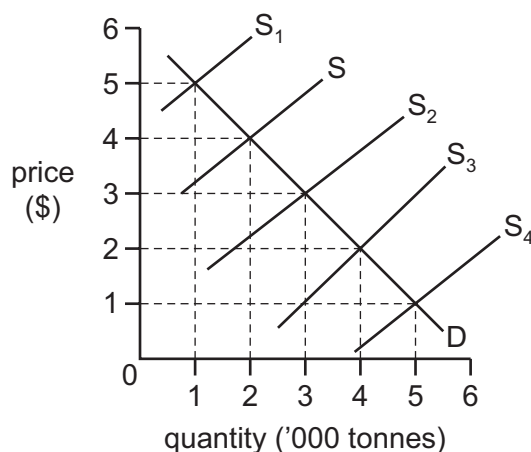
- A increasing income tax
- B increasing the restrictions on the manufacture of electrical goods
- C removing a tariff on imported products
- D subsidising the sales of electrical goods in China's poorer rural areas

- 16 Which is a transfer payment?

- A dividend payments to shareholders
- B payments of rent
- C unemployment benefit
- D wages of government employees

- 17 In the diagram, D is the demand curve of an agricultural commodity and S is the initial supply curve.

The government promises to maintain farmers' incomes at least at their initial level. The harvests in four subsequent years are shown by supply curves $S_1 - S_4$.



In which years will the government **not** need to provide extra income to farmers?

- A 1 and 2
- B 1 and 4
- C 2 and 3
- D 3 and 4