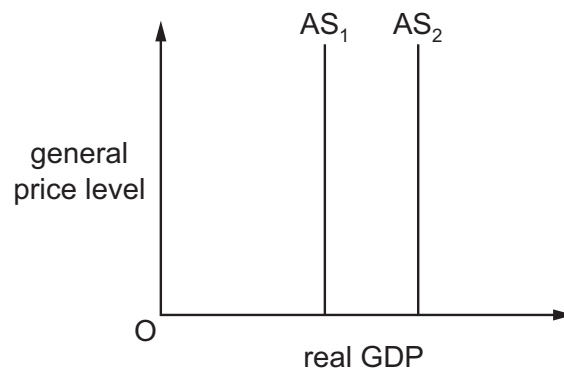


- 24 In the diagram  $AS_1$  is an economy's long-run aggregate supply curve.



What will cause the aggregate supply curve to shift from  $AS_1$  to  $AS_2$ ?

- A an increase in consumer spending
  - B an increase in inflation
  - C an increase in net exports
  - D an increase in productivity
- 25 The table shows an index of consumer prices (2005 = 100) for a number of countries for 2009, 2010 and 2011.

Which country experienced the lowest rate of **fall** in the real value of money between 2009 and 2011?

		2009	2010	2011
A	Canada	107.8	108.9	112.0
B	Japan	100.3	99.6	99.3
C	Portugal	107.4	108.9	112.9
D	Switzerland	104.3	104.5	104.7

- 26 National inflation rates vary widely but they have declined for most countries in recent years.

Which combination might best explain this decline in inflation rates?

- A increased consumer expenditure and tighter control on international trade
- B increasing international competition and reduced world incomes
- C low interest rates and expectations of future price increases
- D protectionist trade measures and a rise in raw material prices