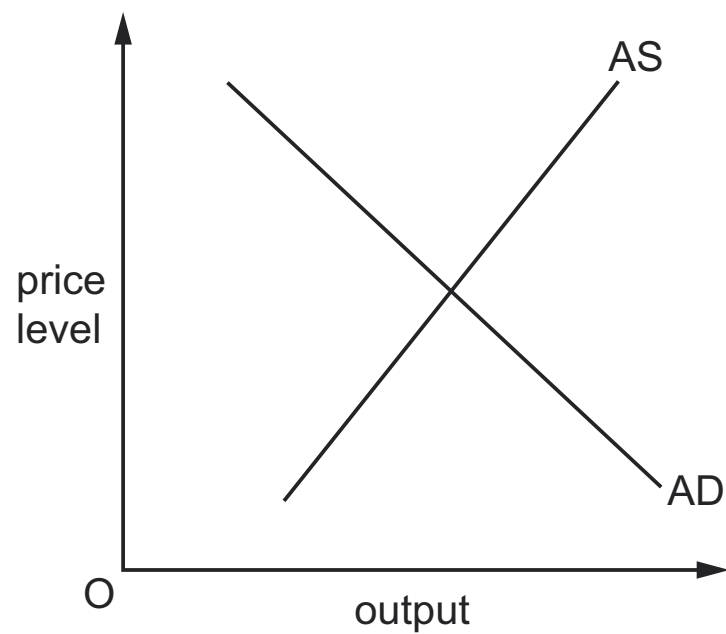


**24** The diagram shows an economy's aggregate demand and aggregate supply curves.



How are the curves likely to be affected by a natural disaster that destroys a large proportion of an economy's resources?

	AD curve	AS curve
<b>A</b>	shift to left	shift to left
<b>B</b>	shift to left	shift to right
<b>C</b>	shift to right	shift to left
<b>D</b>	shift to right	shift to right

**25** What is the **most** likely cause of cost-push inflation in an economy?

- A** an increase in the exchange rate
- B** an increase in the money supply
- C** an increase in the prices of imports
- D** an increase in the rate of income tax