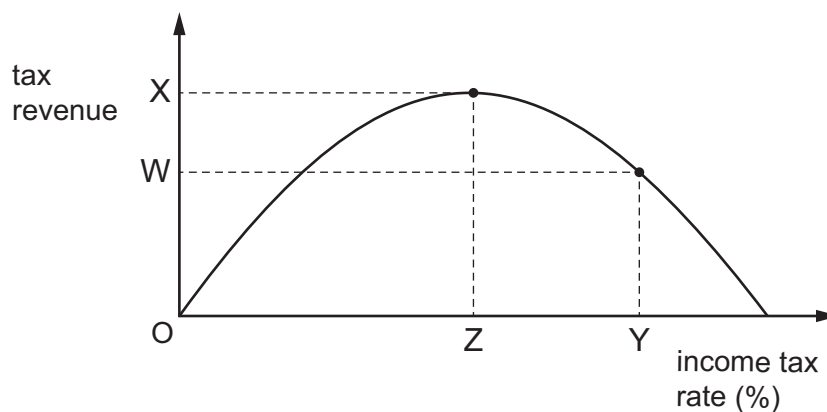


28 Greece had an unemployment rate of over 20% in 2016.

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

	monetary policy	government expenditure	profit tax
A	decrease interest rates	increase	decrease
B	decrease interest rates	decrease	increase
C	increase interest rates	increase	increase
D	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