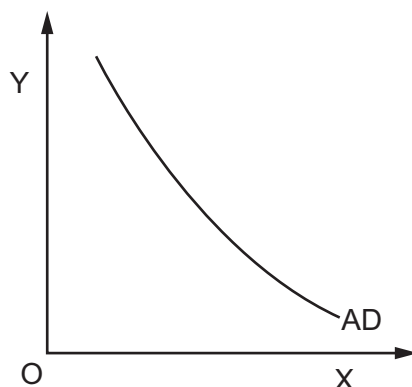


19 The diagram shows an aggregate demand (AD) curve.



What is measured on the horizontal (X) axis and the vertical (Y) axis?

	horizontal axis X	vertical axis Y
A	money national output	real disposable income
B	price level	real GDP
C	real GDP	price level
D	real disposable income	money national output

20 What could explain an improvement in the terms of trade for a country?

- A** an increase in tariffs on imports
- B** a decrease in the volume of imports sold
- C** an increase in the prices of exports
- D** a decrease in the volume of exports sold

21 What is a correct description of an aggregate demand (AD) curve?

- A** It is a curve obtained by adding the market demand curves of all consumer goods traded in an economy.
- B** It is a curve determined by the horizontal summation of all individual consumer demand curves for a product.
- C** It is a curve that shows the total amount of goods and services firms are willing to buy at a given price in an economy.
- D** It is a curve that shows the total demand of all goods and services produced at all price levels in an economy.