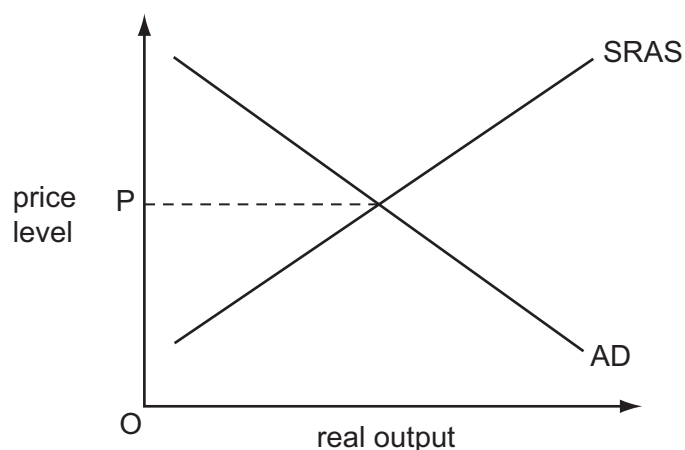


- 24** The diagram shows the aggregate demand (AD) and short-run aggregate supply (SRAS) for an economy with a price level OP.



Which combination of events would definitely cause a rise in the general price level?

	world commodity prices	domestic unemployment
<b>A</b>	decrease	decrease
<b>B</b>	decrease	increase
<b>C</b>	increase	decrease
<b>D</b>	increase	increase

- 25** It is anticipated that the rate of inflation in a country will continue to rise.

What is most likely to increase as a result?

- A** balance of payments surplus
- B** confidence in fixed interest bonds
- C** individuals' need for cash balances
- D** the real value of money