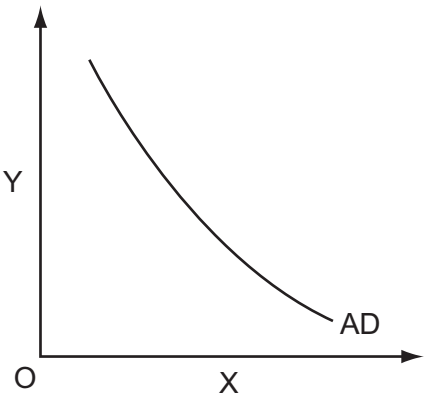


19 An economy faces rising raw material costs and a fall in business confidence.

How will the economy’s real GDP and the price level be affected?

	real GDP	price level
A	it may rise or fall	it will rise
B	it will fall	it may rise or fall
C	it will fall	it will fall
D	it will rise	it may rise or fall

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



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