

16 What describes a Keynesian measure to reduce cyclical unemployment?

- A** adopting a supply-side policy to retrain unskilled workers
- B** allowing the private sector to take over the supply of merit goods
- C** increasing the ratio of capital equipment to manual labour in production
- D** using fiscal policy to increase effective demand

22 A government is aiming to increase the role of market forces.

Which policy might achieve this?

- A** deregulation
- B** nationalisation
- C** price controls
- D** production quotas

25 What does the Laffer curve show?

- A** the amount of tax revenue received at each tax rate
- B** the impact on the distribution of income after tax rates rise
- C** the rise in inflation following a fall in unemployment due to a cut in income tax
- D** the rise in poverty due to a rise in the basic rate of income tax