22 What is the effect of an increase in the money supply on the interest rate and the aggregate demand (AD) curve?

	interest rate	AD curve
A	falls	shifts left
B	rises	shifts left
C	falls	shifts right
D	rises	shifts right

A-Level Economics: **s25 11**

19 Which statement is **not** correct?

A The long-run aggregate supply curve can be downward sloping.

B The long-run aggregate supply curve can be horizontal.

C The long-run aggregate supply curve can be upward sloping.

D The long-run aggregate supply curve can be vertical.

A-Level Economics: **s25 12**

18 The aggregate demand curve is typically downward sloping.

What is one possible explanation for this?

A A fall in the price level will lead to a rise in demand for imports.

B As the price level falls, improved productivity will reduce unit costs.

C If the price level is high, any interest rate changes will encourage consumption.

D The real value of assets increases as the price level falls.