6 What is consumer surplus?

A the amount of a consumer’s income less the amount paid in income tax

B the amount of a consumer’s income less the amount paid for goods and services

C the amount of a consumer’s income received in bonuses and overtime pay

D the amount a consumer is willing to pay for a product less the amount actually paid

A-Level Economics: **w25 13**

26 Which policy is most likely to have a contractionary effect on national income?

A a reduction in income tax rates

B a reduction in interest rates

C an appreciation in the exchange rate

D an increase in government spending on transport infrastructure

A-Level Economics: **w25 14**

21 What is an example of expansionary fiscal policy?

A an increase in income tax

B an increase in private sector investment

C an increase in spending on public goods

D an increase in the money supply

25 An increase in interest rates is an example of which type of policy?

A contractionary fiscal policy

B contractionary monetary policy

C expansionary monetary policy

D restrictive supply-side policy