

19 What is an example of fiscal policy aimed at increasing aggregate demand in an economy?

- A** increasing expenditure by firms on skills training programmes for unskilled workers
- B** increasing the commercial banks' lending ability
- C** reducing the rate of income tax for all income earners
- D** reducing the rate of interest on loans to manufacturing companies

14 Which area of government spending is a transfer payment?

- A** spending on new road building
- B** spending on pensions to the elderly
- C** spending on buying new police cars
- D** spending on wages of teachers

24 What is **not** an example of an expansionary supply-side policy?

- A** a reduction in government spending on training
- B** an increase in support for technological improvement
- C** a reduction in payments to the unemployed
- D** an increase in privatisation of industry

24 Which supply-side policy will encourage new entrepreneurs?

- A** an increase in government subsidy to small firms
- B** an increase in the national minimum wage
- C** an increase in the power of trade unions
- D** an increase in the tax on business profits