24 A government reduces its expenditure on workplace training, increases the level of indirect taxes and reduces the rate of interest it pays on government debt.

How would these government macroeconomic policies be categorised?

	supply-side	fiscal	monetary	
A	con	con	exp	key
B	exp	con	con	con = contractionary
C	con	exp	exp	exp = expansionary
D	exp	exp	con	

25 The government of a country reduces its budget deficit by cutting government spending. At the same time, the central bank raises the interest rates.

When might this combination of policies be used?

	inflation rate	unemployment rate
A	high	high
B	high	low
C	low	high
D	low	low

18 A government reduces the benefits that it pays to unemployed workers to increase the incentive to work.

Which types of macroeconomic policies are being used?

	fiscal policy	monetary policy	supply-side policy
A	✓	✗	✗
B	✓	✓	✗
C	✓	✗	✓
D	✗	✗	✓

20 What is **not** a likely reason for a government having the objective of economic growth?

A to improve living standards

B to improve business confidence

C to increase inflationary pressures

D to increase consumer choice

23 A government increases the basic rate of income tax to finance additional spending on apprenticeships and training.

Which types of macroeconomic policy are being used?

	fiscal policy	monetary policy	supply side policy	
A	✓	✓	✓	key
B	✓	✓	✗	✓ = used
C	✓	✗	✓	✗ = not used
D	✗	✓	✓	

22 A government increases direct taxation to reduce its budget deficit.

How is this likely to affect the government's ability to achieve its macroeconomic objectives?

	economic growth	low inflation	low unemployment
A	less likely	less likely	less likely
B	more likely	less likely	more likely
C	less likely	more likely	less likely
D	more likely	more likely	less likely