13 Which stage of the business (trade) cycle is most likely to be characterised by an increasing negative output gap?

A boom

B recession

C recovery

D trough

26 Which combination of events would cause the biggest increase in real GDP per capita?

	GDP	population	general price level
A	rises	falls	falls
B	rises	falls	rises
C	rises	rises	falls
D	rises	rises	rises

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15 What leads to an inflationary gap?

A Aggregate demand is greater than the maximum potential output of the economy.

B Investment increases at a greater rate than profits received by a firm.

C The economy is operating below its full capacity.

D Innovation results in increased productivity in the economy.

28 A multinational company is planning to invest in a new factory in a low-income country.

What is **not** a possible benefit to the low-income country?

A acquiring improved technology

B better training for the workforce

C extra tax revenue for the government

D increased competition for small domestic producers