Question 17 (Answer: **B**)

- The four standard macroeconomic aims are growth, low unemployment, price stability and a balanced current account.
- So look for a pair drawn from those four.
- Allocating resources or reducing union membership are not macroeconomic aims.

Question 20 (Answer: **C**)

- Supply-side policy raises productive capacity.
- Privatisation, deregulation, training and tax incentives to work or invest all do that.
- Lowering the minimum wage affects labour costs, but a measure aimed only at demand is not supply-side.

Question 28 (Answer: **C**)

- Greater international trade is encouraged by removing barriers.
- So cutting tariffs, quotas and regulation all help.
- *Increasing* regulation or tariffs would restrict trade instead.

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Question 25 (Answer: **C**)

- Reducing inequality means transferring from higher to lower incomes.
- So more progressive taxation combined with higher benefits or a higher minimum wage.
- Regressive taxes or benefit cuts would widen the gap instead.

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Question 1 (Answer: **D**)

- Geographical mobility is how easily workers move to where the jobs are.
- Better transport, more housing and better job information all help.
- Anything that ties workers to one place – expensive housing elsewhere, family ties – reduces it.

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Question 28 (Answer: **C**)

- Benefits from an MNC include jobs, tax revenue, technology transfer and export earnings.
- The costs include profit repatriation, environmental damage and the depletion of resources.
- So the activity offering *least* benefit is the one whose value leaves the country.

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Question 22 (Answer: **D**)

- Long-run growth depends on the quantity and quality of the factors of production.
- Training, investment and new technology all raise productive capacity.
- Anything that reduces skills or investment – cutting training, for instance – lowers future growth.

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Question 20 (Answer: **B**)

- Supply-side policy raises productive capacity.
- More capacity means output can grow without the price level rising.
- So the results are economic growth *and* lower inflation together.