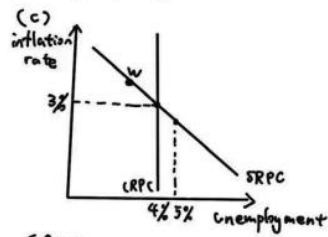
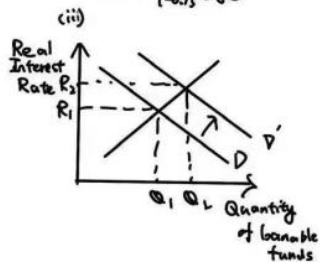


EABDD BBEBB
 EDAAB CCDCD
 CDCDC BBABC
 CCEEB DDEDD
 BDEAC ABBBC
 DDABC DCBEC

1. (a) $1 + 4 = 5$
 (b) $5 - 3 = 2$

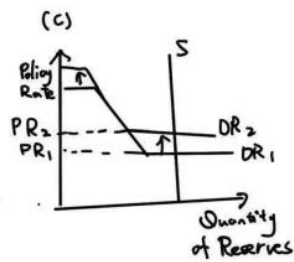


(d) (i) $20 \times \frac{0.75}{1-0.75} = 80$



- (e) (i) $\downarrow$ because investment $\downarrow$
 (ii) $\uparrow$ because Real interest rate $\uparrow$

2. (a) SRAS $\downarrow$
 (b) Administered interest rate $\uparrow$



- (d) $\downarrow$ because investment $\downarrow$

3. (i) $\downarrow$
 (ii) $\uparrow$ because AD $\downarrow$, Real output $\downarrow$
 (b) (i) $\uparrow$ because price level $\downarrow$
 There's depreciation.
 (ii) $\downarrow$
 (c) $\uparrow$