Shifts in aggregate supply: Task 1

	Labour	Land	Capital	Enterprise
Quantity				
Quality				
Efficiency of use				

Income tax

Improved education and training

Reduced trade union power

Increased immigration from the EU

Cut in benefit levels

Relaxation in zoning laws – redevelopment of brownfield sites/abolition of green belt

Improved farming methods

Relaxation in vertical zoning

Cuts in corporation tax

Tax breaks for R&D

Increased globalisation/free trade

Deregulation of protected markets

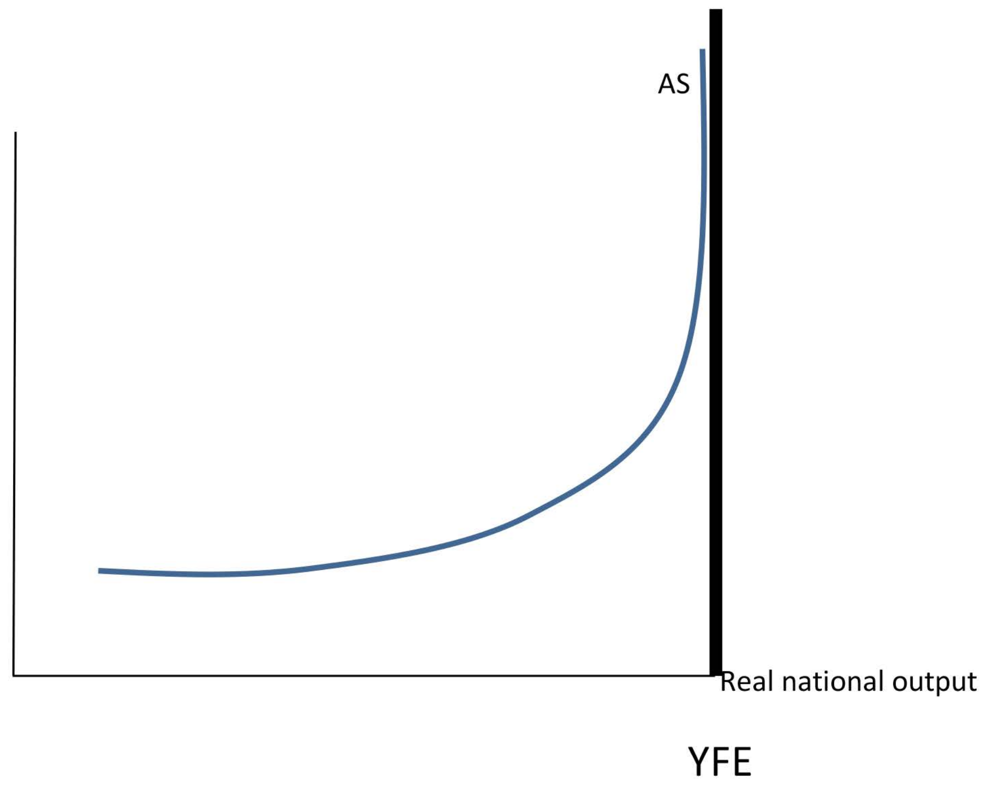
Privatisation

Start up grants and support for small businesses

Tax on empty properties

Tougher competition laws

Question: Adapt the AS function below to show the effects of the changes you have identified (Think about PPFs):



Question: Write a paragraph explaining what is happening.