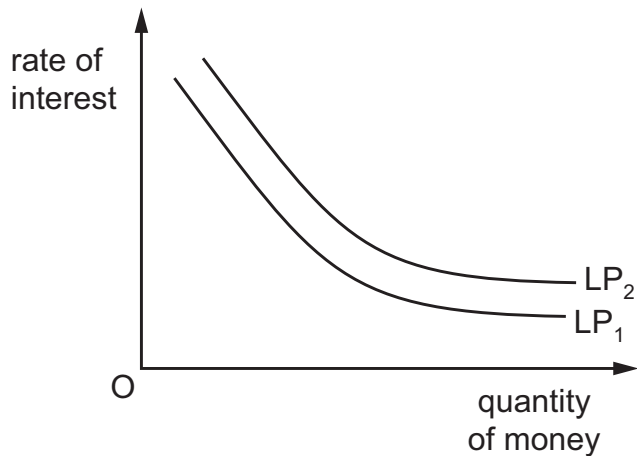


20 The diagram shows two liquidity preference curves LP_1 and LP_2 .



What would cause the liquidity preference curve to shift from LP_1 to LP_2 ?

- A There has been a fall in national income.
- B There has been a rise in the general price level.
- C There has been an increase in government borrowing.
- D There has been an increase in the rate of interest.