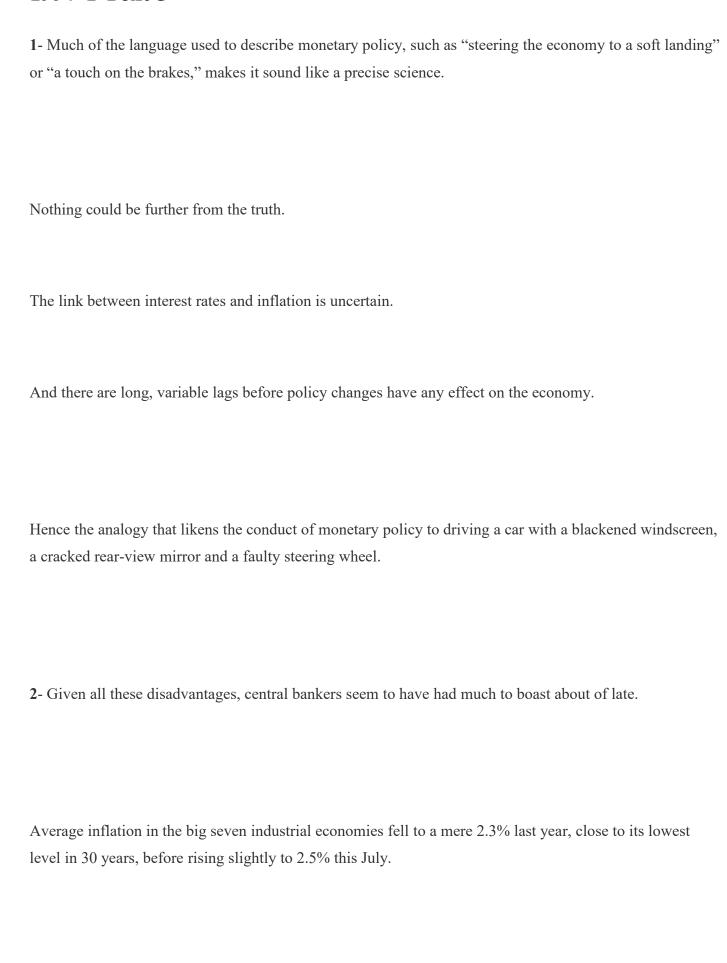
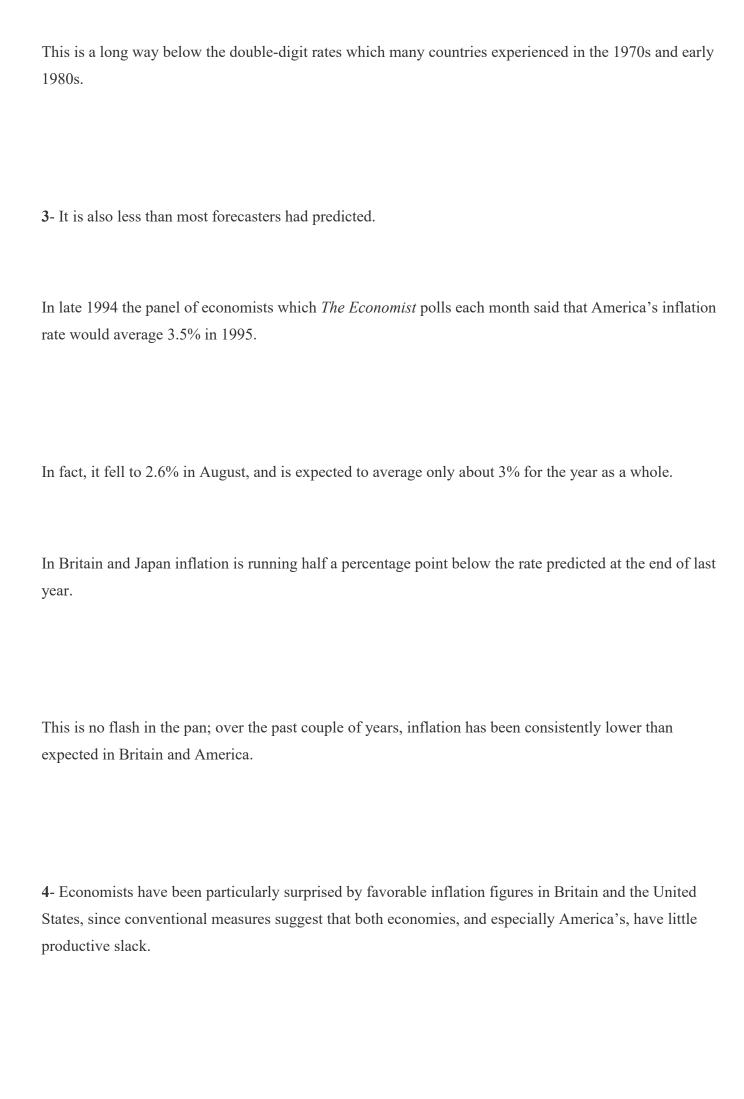
1997-1 Text 5





America's capacity utilization, for example, hit historically high levels earlier this year, and its jobless rate (5.6% in August) has fallen below most estimates of the natural rate of unemployment - the rate below which inflation has taken off in the past.
5- Why has inflation proved so mild?
The most thrilling explanation is, unfortunately, a little defective.
Some economists argue that powerful structural changes in the world have upended the old economic models that were based upon the historical link between growth and inflation.
27. From the passage we learn that
[A] there is a definite relationship between inflation and interest rates
[B] economy will always follow certain models
[C] the economic situation is better than expected
[D] economists had foreseen the present economic situation
28. According to the passage, which of the following is TRUE?
[A] Making monetary policies is comparable to driving a car
[B] An extremely low jobless rate will lead to inflation
[C] A high unemployment rate will result from inflation
[D] Interest rates have an immediate effect on the economy

29. The sentence "This is no flash in the pan" (Line 5, Paragraph 3) means that
[A] the low inflation rate will last for some time
[B] the inflation rate will soon rise
[C] the inflation will disappear quickly
[D] there is no inflation at present
30. The passage shows that the author is the present situation.
[A] critical of
[B] puzzled by
[C] disappointed at
[D] amazed at