

**Question 29****(20 marks)**

The value of the Australian dollar has risen from \$0.57US in March 2020 to \$0.77US in April 2021.

- (a) Using the demand and supply model, illustrate and explain **two** factors that caused this movement in the Australian dollar. (10 marks)
  
- (b) Analyse the effects of this movement in the exchange rate on the Australian business sector. (10 marks)