

- 22** The index for a country's terms of trade changed from 100 in year 2001, to 104 in year 2002.

What could have caused this change?

- A** a fall in export prices with import prices unchanged
- B** a fall in invisible earnings
- C** an appreciation of the country's currency
- D** a rise in the value of imports

- 23** Which of the following is a measure of labour productivity?

- A** 
$$\frac{\text{total output}}{\text{quantity of labour employed}}$$
- B** 
$$\frac{\text{total cost}}{\text{quantity of labour employed}}$$
- C** 
$$\frac{\text{total wage cost}}{\text{quantity of labour employed}}$$
- D** 
$$\frac{\text{total profit}}{\text{quantity of labour employed}}$$

- 24** The average consumer divides his expenditure between food, accommodation and clothing in the ratio 5:3:2.

During the course of a year, the price of food rises by 10 %, the price of accommodation remains constant and the price of clothing falls by 5 %.

Assuming that the weights of a price index reflect the expenditure of the average consumer, what is the increase in the index over the year?

- A** 2.5 %                      **B** 4 %                      **C** 5 %                      **D** 6 %

- 25** Which factor will cause cost-push inflation?

- A** a higher level of consumption
- B** an increase in trade union power
- C** an increase in labour productivity
- D** an appreciation of the exchange rate