

**27** The terms of trade for a country increased from 100 to 120.

Which statements are correct?

- 1 The terms of trade have deteriorated.
- 2 Fewer exports are needed to buy the same quantity of imports.
- 3 The balance of payments must improve.

**A** 1 and 2      **B** 1 only      **C** 2 and 3      **D** 2 only

**28** The table shows the number of Turkish lira (TRY) which can be exchanged for one US dollar (USD) in 2016 and 2021.

date	exchange rate
July 2016	1 USD = 2.83 TRY
July 2021	1 USD = 8.15 TRY

What is the most likely cause of the change in the price of Turkish lira between 2016 and 2021?

- A** a sustained fall in the demand for Turkish imports
- B** a sustained fall in Turkish government debt as a percentage of GDP
- C** a sustained rise in Turkish interest rates
- D** a sustained rise in Turkish inflation