

29 The table shows GDP indices for a country over a three-year period.

	year 1	year 2	year 3
real GDP	100	105	106
money GDP	100	107	115

Inflation and economic growth are two macroeconomic policy objectives.

Which row gives a correct assessment of the country's achievement of these two objectives over the period?

	rate of inflation	rate of economic growth
A	cannot tell	positive
B	declining	cannot tell
C	positive	declining
D	rising	negative

30 A government raises interest rates to improve the current account of the balance of payments.

What might reduce the effectiveness of this policy?

- A** a fall in domestic growth
- B** consumer pessimism
- C** increased domestic saving
- D** price-elastic demand for exports