

- 23** Under which conditions will nominal GDP and real GDP increase at the same rate in an economy?

	rate of change of national output (% per annum)	rate of change of general price level (% per annum)
A	0	-2
B	0	+2
C	+2	0
D	+2	+2

- 24** General equilibrium in the macroeconomy is achieved when total injections are equal to total leakages.

What is most likely to cause disequilibrium in the macroeconomy in the short run?

- A** an increase in government spending of \$10bn and a decrease in exports of \$10bn
 - B** an increase in investment of \$30bn and a decrease in household savings of \$30bn
 - C** an increase in spending on imports of \$40bn and an increase in government spending of \$40bn
 - D** an increase in taxation of \$40bn and a decrease in spending on imports of \$40bn
- 25** What would be the most likely reason for a decrease in frictional unemployment?
- A** more capital-intensive manufacturing
 - B** more demand for public sector workers
 - C** more government spending on education
 - D** more information on labour market vacancies
- 26** A Kenyan banker who lives and works in India sends 15% of their wage back to Kenya every month.

What would be the change in the current account components for either country?

- A** a fall in secondary income for India
- B** an increase in the balance of trade in services for Kenya
- C** an increase in the current account surplus for India
- D** an increase in primary income for Kenya