

- 16** What is **least** likely to cause a simultaneous increase in demand-pull and cost-push inflation?
- A** depreciation of currency
  - B** increased import tariffs
  - C** decreased spending on infrastructure
  - D** increased wages
- 17** According to the circular flow of income, what would be the immediate result of an increase in the value of a country's exports?
- A** imports would increase
  - B** national income would increase
  - C** savings would increase
  - D** taxes would increase
- 18** To calculate the unemployment rate, the number unemployed is related to
- A** the total adult population aged 18–65.
  - B** the number of unemployed who are seeking work.
  - C** the total number in full-time employment.
  - D** the total population in the labour force.
- 19** Aggregate demand in an economy may decrease as a result of an increase in
- A** consumption expenditure.
  - B** government expenditure.
  - C** import expenditure.
  - D** investment expenditure.
- 20** A government has a balanced budget. It decides to increase its spending by 10%.
- Which increase in government revenue would produce a budget surplus?
- A** –10%                      **B** 0%                      **C** +10%                      **D** +20%