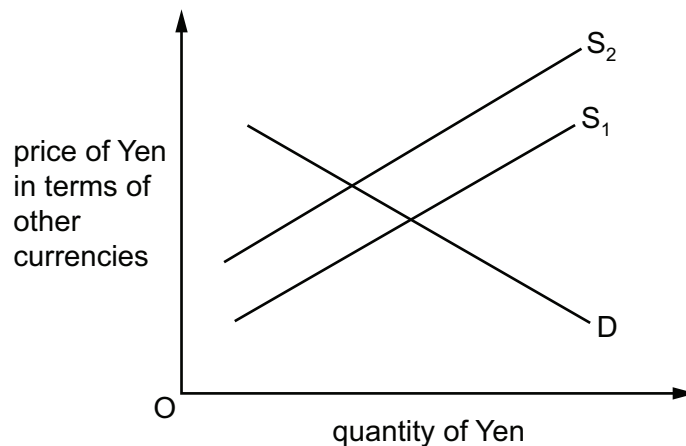


- 26 What might explain an increase in the volume of a country's imports?
- A an appreciation of the country's exchange rate
 - B an increase in the country's tariffs
 - C a recession in the country
 - D a rise in the country's rate of income tax
- 27 What is the most likely consequence of an increase in a country's balance of payments deficit?
- A an increase in the foreign value of the currency of the country
 - B an increase in the level of income within the country
 - C a reduction in the quantity of money within the country
 - D a reduction in unemployment within the country
- 28 Which economic change might contribute to both cost-push and demand-pull inflation?
- A a fall in the exchange rate
 - B a fall in the interest rate
 - C a rise in the productivity of industrial workers
 - D an improvement in the terms of trade
- 29 The diagram shows the market for Japanese Yen.



What could have caused the change in the supply of Yen from S_1 to S_2 ?

- A a reduction in the level of international investment into Japan
- B a reduction in the level of Japanese tariffs
- C a reduction in the value of foreign goods imported into Japan
- D a reduction in the value of Japanese goods exported