27 The table gives details of some parts of a country's balance of payments.

In which year did the country have its largest trade deficit?

	value of exports of goods ($m)	value of imports of goods ($m)	value of net income and transfers ($m)
A	3914	3005	+110
B	3950	4073	+80
C	4774	4781	−65
D	5226	5102	−101

28 Country X trades with only two countries, the USA and Japan.

90% of the country's trade is with the USA and 10% is with Japan.

The original value of the trade-weighted exchange rate index is 100.

The value of country X's currency against the US$ rises by 10%. The value of country X's currency against the Japanese yen rises by 50%.

What will be the value of country X's new trade-weighted exchange rate index?

A   114   **B**   115   **C**   130   **D**   160

29 What is most likely to cause a rise in a country's exchange rate?

A   a fall in its direct taxes

B   a fall in its export orders

C   a rise in its interest rates

D   a rise in its imports

30 An economy has a high level of unemployment and a large balance of payments deficit on the current account.

What would be a suitable policy for the government to adopt?

A   decrease government spending

B   devalue the currency

C   increase direct taxation