

- 29** A country is currently experiencing deflation. It has a large national debt that is greater than its annual real income.

Which combination of policies is most likely to increase the general price level without adding to the national debt?

	fiscal policy	monetary policy
<b>A</b>	decrease the budget deficit	decrease the money supply
<b>B</b>	decrease the budget deficit	increase the money supply
<b>C</b>	increase the budget deficit	decrease the money supply
<b>D</b>	increase the budget deficit	increase the money supply

- 30** Which government action will conflict with the named economic target?

	target	action
<b>A</b>	lower price inflation	lower exchange rate
<b>B</b>	more consumer spending	lower interest rates
<b>C</b>	more equal incomes	lower indirect tax rate
<b>D</b>	reduced import levels	smaller trade quotas