23 A country has a deficit of $300 million on the current account of its balance of payments. It devalues its currency in an attempt to reduce the deficit.

Which row is consistent with the idea that the J-curve operates in the short run but the Marshall-Lerner condition is satisfied in the long run?

	short-run deficit ($ million)	long-run deficit ($ million)
A	200	100
B	200	400
C	600	100
D	600	400

24 A family takes a holiday abroad. Four students are asked to show where the cost of the accommodation would be recorded in the current account of the balance of payments of the country visited.

Which student is correct?

	trade in goods	trade in services	export/credit	import/debit
A	✓	✗	✓	✗
B	✓	✗	✗	✓
C	✗	✓	✓	✗
D	✗	✓	✗	✓