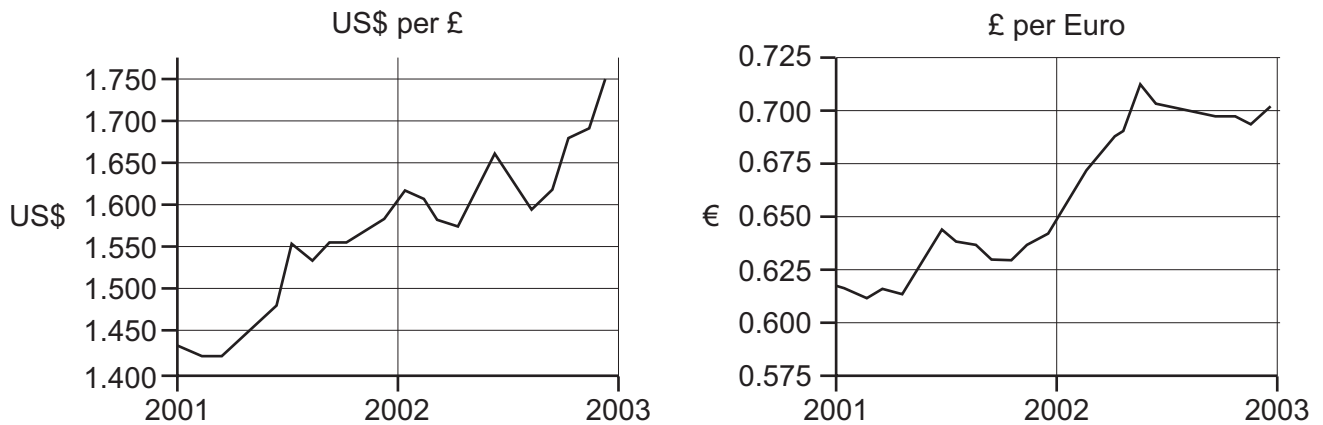


- 29** The graphs show the changes in the exchange rates of the £ sterling against the US\$ and the Euro (€) between 2001 and 2003.



What happened to the value of the £ sterling between 2001 and 2003?

- A** The £ appreciated against the US\$ and depreciated against the Euro.
- B** The £ appreciated against the US\$ and the Euro.
- C** The £ depreciated against the US\$ and appreciated against the Euro.
- D** The £ depreciated against the US\$ and the Euro.

- 30** A government devalues its exchange rate.

What is most likely to be its aim?

- A** to decrease a current account surplus
- B** to decrease demand-pull inflation
- C** to improve the terms of trade
- D** to increase the level of employment