21 The table shows information about a country whose consumers spend their income on three commodities, P, Q and R.

commodity	index of prices in year 1	index of prices in year 2	consumers' expenditure in year 1
P	100	160	$100 million
Q	100	80	$300 million
R	100	100	$100 million

Between year 1 and year 2 how has the general level of prices changed?

A It has risen by 40%.

B It has risen by 10%.

C It has remained the same.

D It has fallen by 5%.

22 The UK inflation rate as measured by the Consumer Price Index was 5.2% in September 2011. In June 2014 the UK inflation rate as measured by the Consumer Price Index was 1.6%.

What can definitely be concluded about the period September 2011 to June 2014?

A Fixed income earners had increased purchasing power.

B Prices were falling.

C The rate of price increases was slowing.

D The real rate of interest became positive.

23 If a country has a surplus in its balance of payments then its money supply is likely to

A fall because more of its goods were purchased by foreign consumers than by consumers at home.

B increase because the foreign currency received for exports will be exchanged for domestic currency.

C remain constant because the surplus is automatically offset by a loan for the deficit countries.

D remain unchanged because its exports are bought with foreign currency.