

- 22** In June 2016 the UK voted to leave the European Union. The table shows what happened to the value of the pound sterling before and after the vote.

June	Sept
£1 = \$1.48	£1 = \$1.32

The UK is a major trading nation.

What is likely to be the short-term impact of the changes in the value of the pound sterling on the UK economy?

- A** increased disinflation
  - B** increase in cost-push inflation
  - C** more purchasing power of money
  - D** reduced demand-pull inflation
- 23** To what does the J curve effect directly relate?
- A** balance of payment effects caused by exchange rate changes
  - B** exchange rate effects caused by balance of payment changes
  - C** import expenditure effects caused by tariff changes
  - D** trade creation effects caused by comparative advantage changes
- 24** The terms of trade for the major oil exporting country of Saudi Arabia fell from 223 in 2013 to 205 in 2014.

What could be a likely cause of this fall?

- A** a fall in the amount of oil exported by Saudi Arabia
- B** a fall in the amount of oil produced by Saudi Arabia
- C** a fall in the price of Saudi Arabian oil exports
- D** an appreciation of the Saudi Arabian currency