29 A country has a long-running current account deficit on the balance of payments.

Its government was using an expenditure-switching policy but decides to change to an expenditure-reducing policy.

What could have been the old policy and its new policy?

	old policy	new policy
A	export subsidies	quotas
B	income tax	interest rate
C	quotas	exchange rate control
D	tariffs	income tax

30 The government increases interest rates in order to reduce the rate of inflation.

What will also result from this action?

A a depreciation of the country's currency

B a fall in the level of savings

C a reduction in economic growth

D a reduction in unemployment