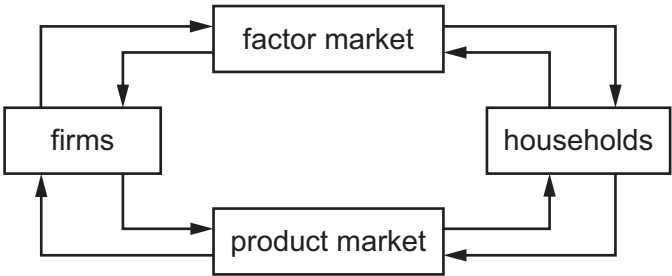


21 The diagram shows a basic two-sector circular flow of income.



What can be concluded about the direction of flows?

- A Consumer expenditure flows anticlockwise.
 - B Goods and services flow clockwise.
 - C Incomes flow anticlockwise.
 - D Resources flow anticlockwise.
- 22 The table shows the types of unemployment and their possible solutions.

Which combination is **not** correct?

	type of unemployment	possible solution
A	technological	introduce minimum wage legislation
B	cyclical	raise government spending
C	frictional	increase advertising of job vacancies
D	structural	retrain workers

- 23 Which combination of policies would be most effective in reducing a balance of payments current account surplus?

	a decrease in tariffs on imports	a devaluation of the exchange rate	an expansionary monetary policy
A	no	yes	no
B	no	no	yes
C	yes	no	yes
D	yes	yes	no