

- 15** A government is faced with rising inflation. It wishes to reduce inflationary pressure while avoiding a fall in output.

Which action is most likely to meet its needs?

- A** an increase in laws to promote competition
- B** an increase in taxation
- C** an increase in the budget surplus
- D** an increase in the exchange rate

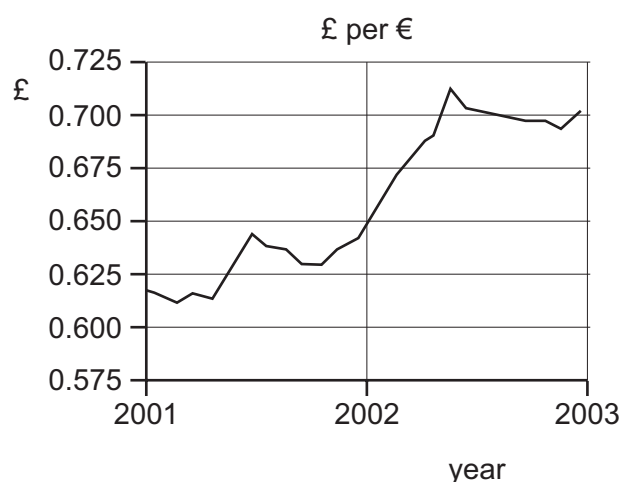
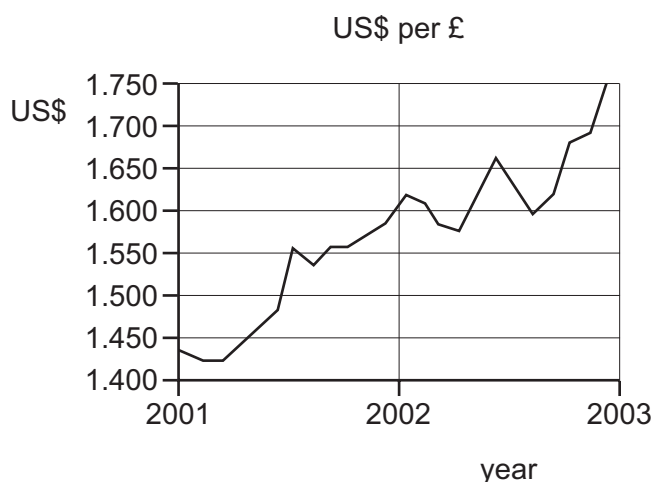
- 16** The table shows selected information from a country's national accounts.

	\$ billion
GDP	28
net property income from abroad	−3
capital consumption	6
national debt	2

What is the country's net national income?

- A** \$19 billion
- B** \$25 billion
- C** \$31 billion
- D** \$33 billion

- 17** The graphs show the changes in the exchange rates of the pound sterling (£) against the US dollar (US\$) and the euro (€) between the years 2001 and 2003.



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

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