

- 26 The table shows items from the balance of payments for countries **A**, **B**, **C** and **D**.

Official Financing including changes in reserves is excluded from the Financial Account.

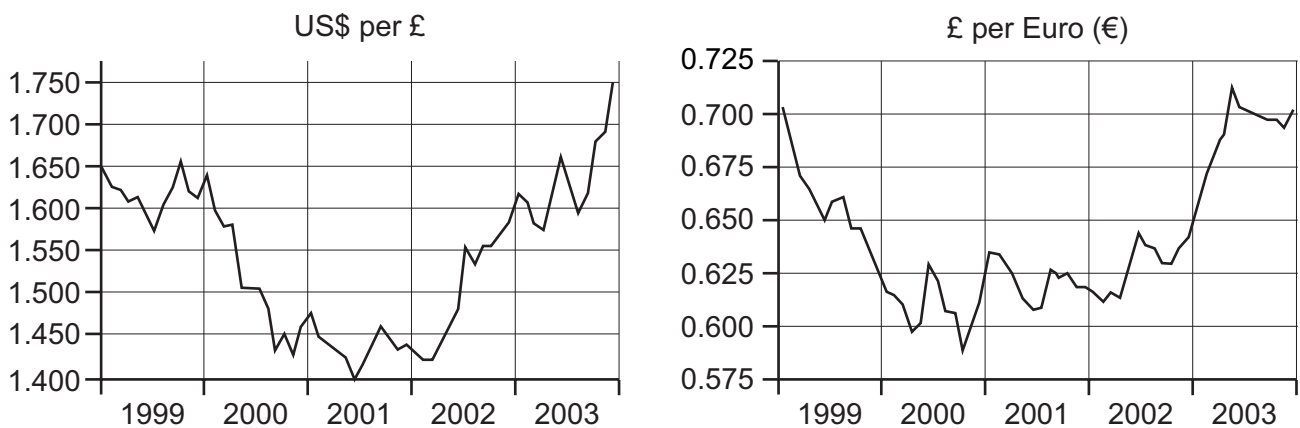
Which country has the greatest disequilibrium on its balance of payments?

	Current Account \$m	Capital Account \$m	Financial Account \$m
A	−41	13	28
B	44	12	25
C	−32	−5	−37
D	−15	−17	4

- 27 What must be the necessary result of a surplus in the current account of a country's balance of payments?

- A** a depreciation of the currency
- B** an improvement in the terms of trade
- C** an increase in foreign exchange reserves
- D** an increase in net holdings of foreign assets

- 28 The graphs show the changes in the exchange rates of the £ sterling between 1998 and 2003.



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

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