

- 24** Aggregate demand in an economy may decrease as a result of an increase in
- A** consumption expenditure.
 - B** government expenditure.
 - C** import expenditure.
 - D** investment expenditure.

- 25** The table shows the CPI rate of inflation (%) in the US from 2006 to 2013.

2006	2007	2008	2009	2010	2011	2012	2013
2.5%	4.1%	0.1%	2.7%	1.5%	3.0%	1.7%	2.0%

What can be concluded from the figures about the period 2006 to 2013?

- A** There was one year of constant prices.
 - B** There were three years of deflation.
 - C** There were only four years of inflation.
 - D** There were eight years of rising living costs.
- 26** How might an increase in the general price level lead to a rise in real household expenditure?
- A** by increasing the expectations of further price increases
 - B** by increasing the level of real household debts
 - C** by increasing the level of real wages
 - D** by increasing the spending on exports
- 27** Between 2011 and 2013, high street retailers reported that expenditure on home-produced and imported goods was reduced. Consumers did not take out loans as the economy was in a recession.

What is the likely result of this?

- A** a decline in the deficit in the trade account
- B** a decline in the level of savings
- C** a decline in the terms of trade
- D** a decline in unemployment