

- 26** A sudden rise in the price of imported oil caused the annual rate of inflation in a given period to be higher than expected.

What might be a likely result of this?

- A** Borrowers would gain.
- B** Real wages would rise.
- C** The balance of trade would improve.
- D** Unemployment would fall.

- 27** The table shows the Canadian current account of the balance of payments in 2005 and 2006.

	2005 (\$m)	2006 (\$m)
goods	62 372	−4 568
services	12 055	−22 663
investment income	−22 917	−14 145
transfers	−1 498	−2 148
total	25 902	−43 523

The change in which item contributed the least and the change in which item contributed the most to the move from surplus to deficit in the Canadian current account balance between 2005 and 2006?

	item contributing the least	item contributing the most
A	investment income	goods
B	investment income	services
C	transfers	goods
D	transfers	services

- 28** What is most likely to result from a rising deficit in a country's balance of payments from increased imports of consumer goods?

- A** a rise in aggregate monetary demand in the country
- B** a rise in the country's aggregate supply
- C** a rise in the country's unemployment
- D** a rise in the international value of the country's currency