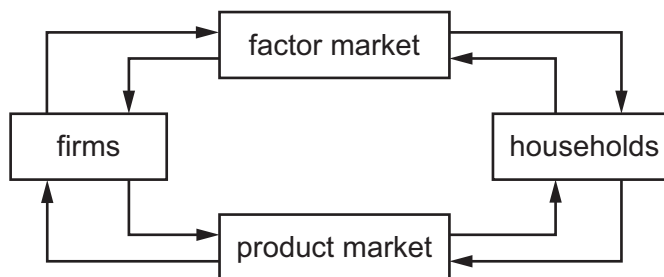


21 The diagram shows a basic two-sector circular flow of income.



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