

- 28** The table shows the consumer prices index (CPI) for an economy expressed as an index number.

year	CPI
2016	100
2017	103
2018	101
2019	97

Which action is the government most likely to take to achieve price stability?

- A** appreciate the exchange rate
 - B** decrease the budget deficit
 - C** increase the money supply
 - D** increase the rate of interest
- 29** Other things being equal, what is most likely to be reduced by falling labour productivity?
- A** the balance of trade deficit
 - B** the internal value of money
 - C** the level of unemployment
 - D** the rate of domestic inflation
- 30** A government spends money building more schools.

How might this be classified?

	fiscal policy	supply-side policy	monetary policy
A	✓	✓	x
B	✓	✓	✓
C	✓	x	x
D	x	✓	x