

18 The table gives data for an economy.

	2010	2011	2012	2013	2014
Gross Domestic Product (GDP) at current prices (\$ billion)	200	220	240	300	320
GDP deflator (price index)	100	109	125	149	154

In which year did real GDP decline compared with the previous year?

- A** 2011 **B** 2012 **C** 2013 **D** 2014

19 Which policy is most likely to help to correct an adverse balance on the current account of the balance of payments?

- A** abolishing tariffs
B depreciating the currency
C reducing direct taxes
D reducing indirect taxes

20 In year 1, a country's real GDP was \$500 billion. In year 2, nominal GDP rose to \$577.5 billion and the prices increased by 5%.

What is the real GDP in year 2?

- A** \$4.76 billion **B** \$5 billion **C** \$476 billion **D** \$550 billion

21 The table gives details of national income statistics for an economy.

	US\$bn
consumption	2000
investment	500
government expenditure	600
net exports	−100
net foreign factor income	−200
depreciation	100

What is the net national income for this economy?

- A** US\$2700bn **B** US\$2800bn **C** US\$2900bn **D** US\$3000bn