25 In 2018, the inflation rate in Argentina was over 100%.

Which combination correctly identifies the winners and losers during this period?

	winners	losers
A	firms selling goods abroad	households paying back loans
B	firms unable to decrease real wages	firms paying back loans on fixed monthly repayments
C	individuals with a high amount of debt at a fixed rate of interest	households that hold most of their assets in cash
D	workers on fixed wage contracts	the retired on fixed incomes

26 The diagram shows the aggregate demand (AD) and aggregate supply (AS) for a country. The initial equilibrium is at point E.

The sum of the price elasticities of demand for imports and exports for this country exceeds one.

A devaluation of the country's exchange rate will cause aggregate demand to change.

What will be the new equilibrium?
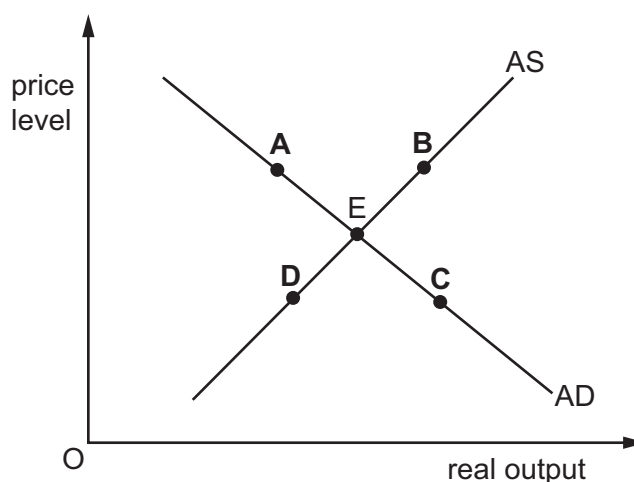
27 In 2000, Japan was Asia's largest exporter of electrical components, but by 2018 it was ranked 8th.

What might explain this change?

A Japan has a lower opportunity cost in electrical component production than its Asian competitors.

B Japan has experienced greater deflation than its Asian competitors.

C Japan has imposed tariffs on the import of electrical components from its Asian competitors.

D The Japanese Yen has appreciated against the currencies of its Asian competitors.