

- 18** An economy in equilibrium has a trade deficit of \$20bn and a budget surplus of \$20bn. Investment spending is \$50bn.

What is the total saving?

- A** \$5bn **B** \$10bn **C** \$15bn **D** \$20bn

- 19** A finance company incurs heavy losses and makes an accountant redundant.

The accountant seeks a new job through an employment agency which specialises in jobs in accounting.

What describes the type of unemployment of the accountant who is seeking a new job?

- A** frictional
B seasonal
C structural
D technological

- 20** An aggregate demand curve slopes downwards from left to right.

One reason for this is that a reduction in the average price level will lead to

- A** a decline in the country's international competitiveness.
B an increase in interest rates.
C an increase in the real value of money balances.
D the expectation of further price falls.

- 21** Which components are included as primary income in the current account of the balance of payments?

	trade in goods	current transfers	employment income from abroad
A	✓	✓	✓
B	✓	x	x
C	x	✓	x
D	x	x	✓

key

✓ = included

x = not included