

21 A country's terms of trade currently stands at 150 (base year 2000 = 100).

Since 2000 the average price the country has received for its exports has increased by 20 %.

What has been the change in the average price it has paid for its imports?

- A** -25 % **B** -20 % **C** +20 % **D** +25 %

22 A government wishes to present its final balance of payments account. It has calculated the current account balance, the capital account balance and the financial account balance.

What additional information is required to complete the task?

- A** change in foreign currency reserves
B foreign aid
C net errors and omissions
D speculative currency flows

23 The table shows inflation rates, unemployment rates and changes in money wage rates between 2008 and 2009 for a number of countries.

| country | inflation % | unemployment % | money wages % |
|---------|----------------|-------------------|------------------|
| France | +0.2 | 9.4 | +3.0 |
| Germany | +0.2 | 8.3 | +2.7 |
| UK | +1.8 | 7.8 | +2.5 |
| US | -0.3 | 9.4 | +2.5 |

What can be concluded from the table?

- A** On average, those in employment in the UK had an increase in real incomes.
B The same number of people were unemployed in the US and France.
C The same product would have the same price in France and Germany.
D Unemployment was highest where inflation was highest.