

- 29** Other things being equal, what will happen if a British company raises the sterling (£) price of goods it sells to Pakistan by the full extent of a depreciation of sterling against the Pakistan rupee?
- A** The demand for the company's goods will fall in Pakistan.
 - B** The company's earnings in Pakistan will remain constant in pounds sterling.
 - C** The company's earnings in Pakistan will remain constant in Pakistan rupees.
 - D** The profit margin on sales to Pakistan will decline.
- 30** When will a country's balance of payments current account deficit be reduced?
- A** when it raises its rate of income tax
 - B** when it reduces tariffs on its imports
 - C** when it revalues its currency
 - D** when it removes export subsidies
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