

- 28** A government decides to borrow from the general public in order to finance its extra spending on apprenticeship training schemes.

Which types of macroeconomic policy are being used?

	fiscal	monetary	supply side
<b>A</b>	✓	x	✓
<b>B</b>	✓	x	x
<b>C</b>	x	✓	✓
<b>D</b>	x	✓	x

key

✓ = used

x = not used

- 29** Which policy is **not** likely to help reduce a balance of payments deficit?

- A** an increase in expenditure promoting locally produced goods
- B** an increase in the quota on cheap imports
- C** an increase in the restrictions on foreign exchange
- D** an increase in the subsidies to exporting industries

- 30** A country has a target rate of inflation of 2.5% and has recently experienced the actual rate rising to 6%, with unemployment falling to very low levels.

Which policy option is most likely to be implemented?

- A** an increase in government expenditure on training
- B** an increase in indirect taxes on demerit goods
- C** an increase in import tariffs
- D** an increase in interest rates