

21 The table refers to a particular country.

year	index of import prices (2010 = 100)	index of export prices (2010 = 100)
2005	48.1	57.0
2015	122.4	120.8

Which statement about the period 2005 to 2015 is correct?

- A** The balance of payments worsened.
- B** The balance of trade improved.
- C** The exchange rate appreciated.
- D** The terms of trade worsened.

22 A foreign government pays a UK university to educate its students.

How would this be recorded on the balance of payments current account of the UK?

	current account component	money flows
A	current transfers	inflow
B	current transfers	outflow
C	trade in services	inflow
D	trade in services	outflow

23 During a recession, when there was a large fall in national output, the increase in unemployment in an economy was much lower than expected.

What might have accounted for this?

- A** a decrease in labour productivity
- B** a decrease in net outward migration
- C** a decrease in part-time working
- D** a decrease in the number of students