

- 29** The balance of payments on the current account for Guatemala in 2011 was –US\$1.6 bn and in 2016 was +US\$1.0 bn.

What is most likely to have been a contributory factor to this change in the balance of payments on the current account over this five-year period?

- A** an appreciation of Guatemala's currency
- B** a growth of household incomes in Guatemala
- C** a lowering of tariffs on goods imported into Guatemala
- D** productivity improvements in Guatemala's export sector

- 30** The government wishes to increase aggregate demand.

Which actions would be most likely to succeed?

- A** a reduction in income tax and an increase in interest rates
- B** a reduction in income tax and an increase in production subsidies
- C** an increase in corporate tax and an increase in government spending
- D** an increase in value added tax (sales tax) and a reduction in government spending