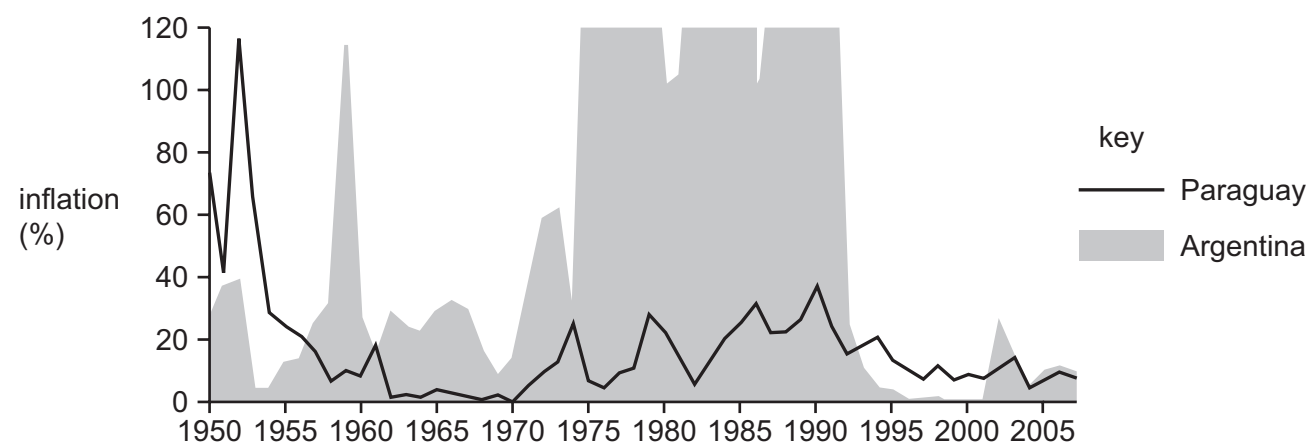


23 The diagram compares the inflation rates of Paraguay and Argentina between 1950 and 2005.



What can be concluded about inflation rates in the two countries in the period 1950 to 2005?

- A Argentina's prices fell rapidly between 1992 and 1995.
- B Argentina stabilised its price level between 1973 and 1992.
- C Paraguay was always more successful than Argentina at controlling its inflation rate.
- D Paraguay was most successful at controlling its inflation rate between 1962 and 1970.

24 Over a period of a year, the annual rate of inflation falls from 10 % to 6 %.

Which statement is correct?

- A The cost of living has increased.
  - B The purchasing power of money has increased.
  - C There has been a reduction in the Retail Price Index.
  - D The standard of living has increased.
- 25 A Japanese company builds a factory in the UK to supply both the UK market and the market in the rest of Europe.

What is likely to be the long-run impact on the UK's balance of trade in goods and on its current balance?

|   | balance of trade in goods | current balance |
|---|---------------------------|-----------------|
| A | improve                   | improve         |
| B | improve                   | uncertain       |
| C | worsen                    | improve         |
| D | worsen                    | uncertain       |