

26 What is **not** a possible cause of cost-push inflation?

- A** an increase in firms' profit margins
- B** an increase in the supply of money
- C** an increase in trade union power
- D** an increase in world oil prices

27 The table shows items from the balance of payments for countries **A**, **B**, **C** and **D**. Official Financing is excluded from the Financial Account.

Which country has the greatest disequilibrium on its balance of payments?

	Current Account \$m	Capital Account \$m	Financial Account \$m
A	−41	13	28
B	44	12	25
C	−32	−5	−37
D	−15	−17	4

28 Turkey can produce a good but also imports some of the good from Egypt. The Turkish currency depreciates against the Egyptian currency.

How might this affect production of this good in Egypt and in Turkey?

	production in Egypt	production in Turkey
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase