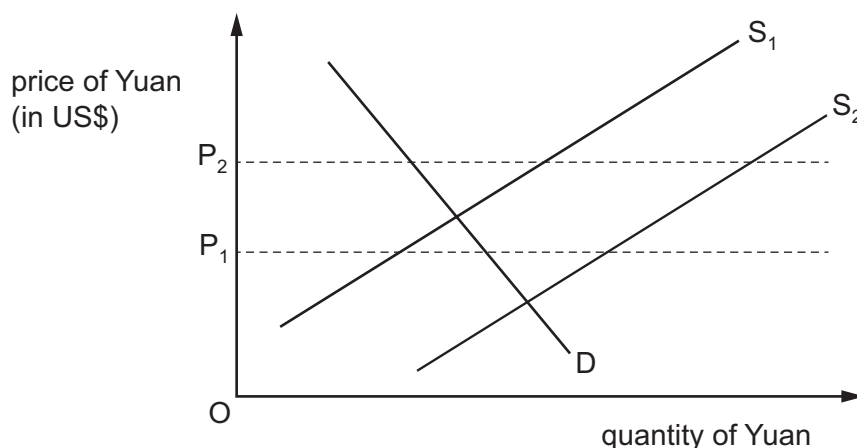22 Assume the Chinese monetary authorities are committed to maintaining the exchange rate of China's currency, the Yuan, against the US$ between P_1 and P_2 on the diagram.

What might they do if supply changed from S_1 to S_2?

A   introduce controls on Chinese investment overseas

B   lower interest rates

C   remove tariffs on imports from USA

D   sell Yuan on the foreign exchange markets

23 In the UK in July 2014, £1 = US $1.71.

By the end of August 2014, £1 = US $1.65.

What is most likely to explain this?

A   an increase in UK exports

B   an increase in UK interest rates

C   increasing profitability of UK companies

D   increasing size of UK national debt

24 Which formula is used to calculate a country's terms of trade?

A   index of export prices − index of import prices

B   index of import prices − index of export prices

C $\dfrac{\text{index of export prices}}{\text{index of import prices}} \times 100$

D $\dfrac{\text{index of import prices}}{\text{index of export prices}} \times 100$