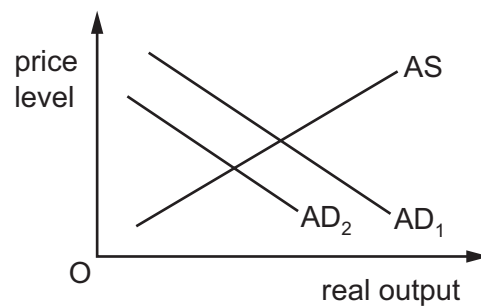


- 20** In the diagram, AD_1 and AS are an economy's original aggregate demand and aggregate supply curves.



What will cause the aggregate demand curve to shift to AD_2 ?

- A** an appreciation of the currency
 - B** an increase in the money supply
 - C** an increase in the price level
 - D** an increase in the real wage
- 21** A country experiences a fall in the consumer price index.

What must be associated with such a fall?

- A** a decrease in average wage rates
- B** a decrease in borrowing
- C** a decrease in consumers' expenditure
- D** a decrease in the cost of living

- 22** The balance of payments accounts are arranged in the following way.

Which total is the current account balance?

balance of trade in goods	
+ balance of trade in services	= total A
+ net income (primary income)	= total B
+ net transfers (secondary income)	= total C
+ capital balance	= total D
financial balance	
errors and omissions	