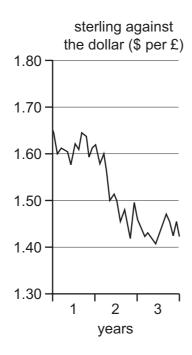
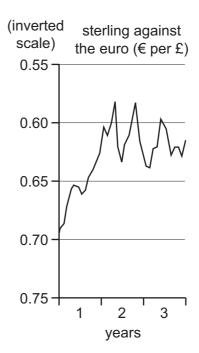
23 The graphs show the changes in the exchange rates of the £ sterling against the US\$ and against the euro. The exchange rate of sterling against the euro is shown by an inverted scale.





Which statement about the period year 1 to year 3 is correct?

- A The £ appreciated against the \$ and the €.
- **B** The £ appreciated against the \$ and depreciated against the €.
- **C** The £ depreciated against the \$ and the €.
- **D** The £ depreciated against the \$ and appreciated against the €.
- 24 What has happened when a country's terms of trade are said to have moved in a favourable direction?
  - A Each unit of imports costs more exports.
  - **B** More foreign currency enters the country to pay for exports.
  - **C** The monetary value of exports and imports is equalised.
  - **D** The ratio of the index of export prices to the index of import prices increases.
- 25 What is the least likely outcome for participating countries of a move towards freer trade?
  - A a greater product choice
  - **B** a more equal distribution of income
  - **C** greater international specialisation
  - D higher standards of living