

**18** The table gives data for an economy.

	2010	2011	2012	2013	2014
Gross Domestic Product (GDP) at current prices (\$ billion)	200	220	240	300	320
GDP deflator (price index)	100	109	125	149	154

In which year did real GDP decline compared with the previous year?

- A** 2011                      **B** 2012                      **C** 2013                      **D** 2014

**19** Which policy is most likely to help to correct an adverse balance on the current account of the balance of payments?

- A** abolishing tariffs  
**B** depreciating the currency  
**C** reducing direct taxes  
**D** reducing indirect taxes

**20** In year 1, a country's real GDP was \$500 billion. In year 2, nominal GDP rose to \$577.5 billion and the prices increased by 5%.

What is the real GDP in year 2?

- A** \$4.76 billion    **B** \$5 billion                      **C** \$476 billion    **D** \$550 billion

**21** The table gives details of national income statistics for an economy.

	US\$bn
consumption	2000
investment	500
government expenditure	600
net exports	−100
net foreign factor income	−200
depreciation	100

What is the net national income for this economy?

- A** US\$2700bn    **B** US\$2800bn    **C** US\$2900bn    **D** US\$3000bn