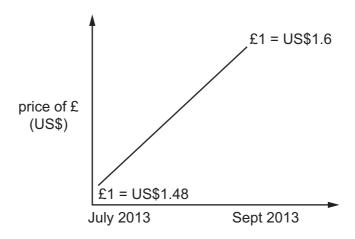
29 The graph shows the movement of the £ sterling against the US\$ over a three-month period in 2013.



What could explain this change?

- A an increase in confidence about the UK economy
- **B** an increase in productivity in the US
- **C** an increase in UK Government debt
- **D** an increase in US interest rates

**30** China had US\$155 billion current account surplus in 2012.

Which combination of policies might the Chinese Government use to restore equilibrium?

- A Decrease income tax and raise the value of the Chinese currency, the Yuan.
- **B** Increase income tax and lower the value of the Chinese currency, the Yuan.
- **C** Increase subsidies to Chinese firms and reduce income tax.
- **D** Increase tariffs on imports and increase income tax.