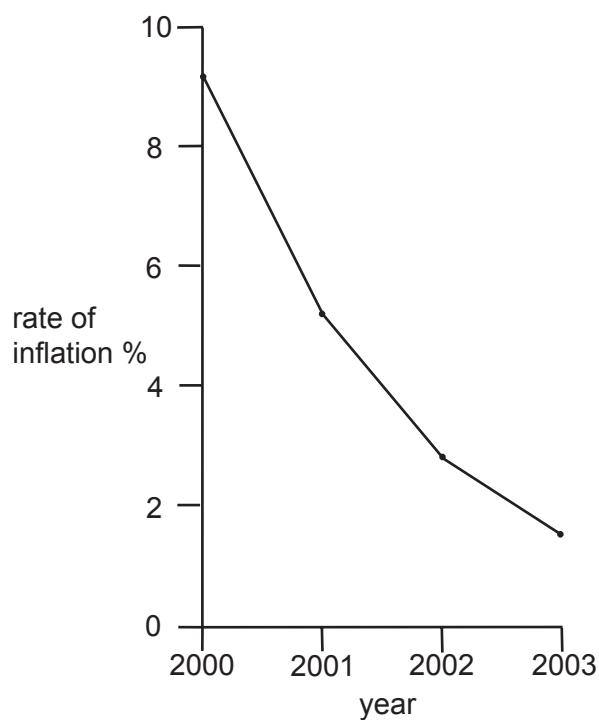


**25** The diagram shows the annual rate of inflation in a country between 2000 and 2003.



Which statement is true of the period 2000 to 2003?

- A** The cost of living fell.
- B** The price level rose.
- C** The retail price index fell.
- D** The value of money rose.

**26** Which combination of events is most likely to cause inflation?

	exchange rate	direct taxes	money supply
<b>A</b>	falling	falling	falling
<b>B</b>	falling	falling	rising
<b>C</b>	rising	rising	rising
<b>D</b>	rising	rising	falling