

29 Monetary policy does not usually work immediately.

Which time lag is likely to be the **least** concern to a government whose priority is a rapid domestic impact?

- A** the time it takes for policymakers to recognise the cause of a problem
- B** the time it takes for the economy to respond to the introduction of the policy
- C** the time it takes for the foreign exchange rate to respond to the effect of the policy
- D** the time it takes to put the chosen policy measure into place

30 What is the best example of an expansionary supply-side policy?

- A** the Argentinian central bank's decision to cut the interest rate in 2018
- B** the US president's plan to cut income tax rates in 2017
- C** the UK government's plan to build 500 new schools by 2020
- D** the Chinese government's decision to devalue their currency by almost 7% in 2016