29 A country experiences a fall in the value of exports and an increase in the value of imports of goods and services.

What are the effects of these changes?

	aggregate demand	balance of payments on goods and services
A	fall	improve
B	fall	worsen
C	rise	improve
D	rise	worsen

30 A government orders its central bank to buy its domestic currency on the foreign exchange markets in the belief that this will improve the balance of payments.

What does this suggest?

A Demand for the country's exports is price inelastic.

B The country's Marshall–Lerner condition is greater than 1.

C The government has a budget deficit.

D The overall balance of payments is in surplus.