29 With an exchange rate of 5 Egyptian pounds (EGP) = 1 US dollar (\$), an American product sells in Egypt for EGP 100.

Assuming that the dollar price remains unchanged, what will be the price of the product in Egypt if the Egyptian pound appreciates to 4 EGP = 1 US\$?

A EGP 75 **B** EGP 80 **C** EGP 120 **D** EGP 125

30 A country has a large current account deficit. Its government decides to devalue its currency.

In which circumstance would such a measure reduce the deficit?

	price elasticity of demand for exports	price elasticity of demand for imports
A	0.0	0.0
B	0.0	0.5
C	0.5	0.5
D	0.5	1.0