

- 14** Governments in market economies give different reasons for intervening in the operation of an economy.

Which reason given is a normative statement?

- A** Average incomes have failed to keep pace with price rises during the past year.
- B** Energy prices have increased by more than 50% during the past year.
- C** The distribution of incomes has become more unfair during the past year.
- D** The poorest 10% of households have suffered the greatest fall in average real income during the past year.

- 15** The table illustrates macroeconomic data for an economy. All figures are in \$ billions.

What is the equilibrium real output?

	consumption expenditure	investment	government expenditure	exports	imports	real output
A	110	100	50	10	20	100
B	120	100	60	20	30	200
C	140	100	70	30	40	300
D	160	100	80	40	50	430

- 16** A country's net national income (NNI) is less than its gross national income (GNI).

What does this mean?

- A** incomes earned overseas were less than incomes sent overseas
- B** inflation has been accounted for in NNI but not in GNI
- C** the country's exports decreased
- D** there has been a net depreciation in the value of the country's fixed capital assets

- 17** Asha is currently unemployed. She has been offered a job but has decided to decline the offer and search for a better paid job.

Which type of unemployment is this?

- A** cyclical
- B** frictional
- C** seasonal
- D** structural