27 The terms of trade of a developing country fell from 90 in 2010 to 80 in 2015.

Assuming the index of its import prices remained constant at 110 between these two years, what happened to its index of export prices?

A fell by 10

B fell by 11

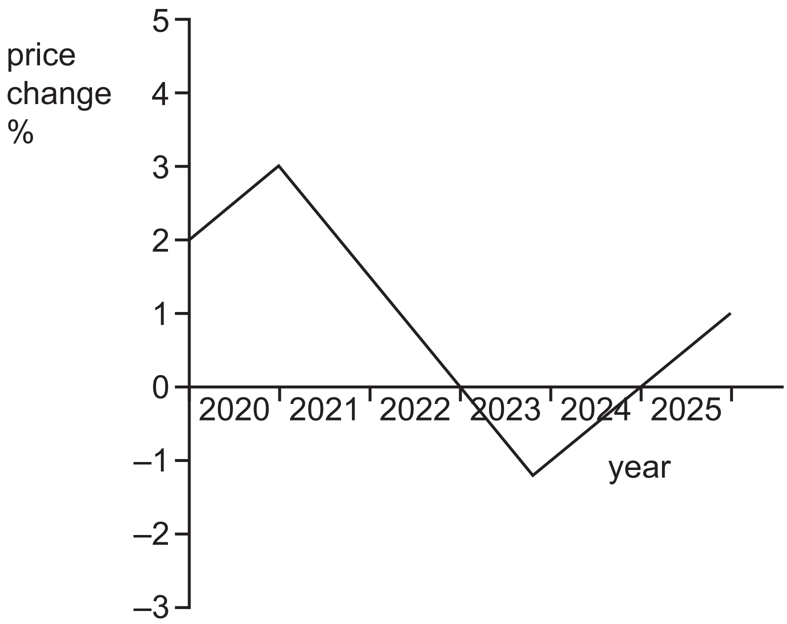
C increased by 10

D increased by 30

A-Level Economics: **w25 13**

22 The diagram shows changes in a country's price level over a number of years.

During which period of time did **only** disinflation occur?



A from the start of 2020 to the end of 2025

B from the start of 2021 to the end of 2022

C from the start of 2021 to the end of 2023

D from the start of 2023 to the end of 2024

A-Level Economics: **w25 23**

4 **(a)** For your economy or for one that is known to you, explain **three** causes of inflation **and** consider which of these causes is likely to be most important in 2025. [8]

(b) Assess whether supply-side policy or demand-side policy is the better way of reducing this inflation. [12]

OR

16 Price stability can be said to occur if the measured value of the consumer prices index (CPI) is unchanged during the year.

Which statement is correct?

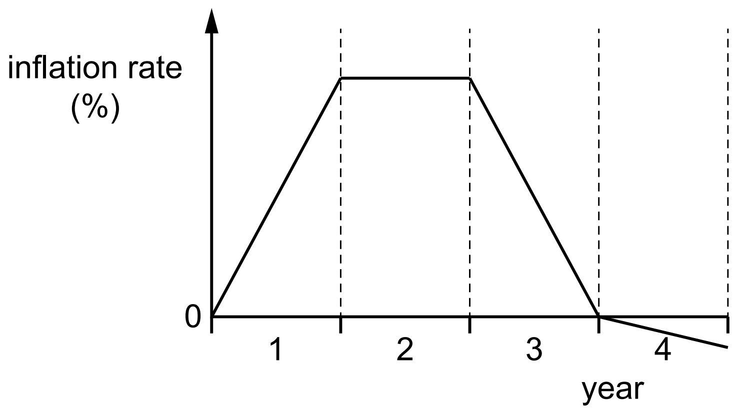
A For price stability to occur, there must be no changes in prices of any products.

B For price stability to occur, the number of products whose prices rise must exactly match the number whose prices fall.

C If some prices rise and others fall, there cannot be price stability.

D Different weightings of items used in the calculation of CPI mean that price stability can occur in many ways.

18 The diagram shows the change in an economy's rate of inflation over 4 years.



What happened to the general price level over the 4 years?

	year 1	year 2	year 3	year 4
A	constant	constant	decreased	constant
B	increased	constant	decreased	decreased
C	increased	increased	increased	constant
D	increased	increased	increased	decreased