18 A government has stated for the next year it has four main aims.

1 low and stable inflation

2 providing subsidies to farmers

3 raising productivity of workers in the public sector

4 stability in the balance of payments

What are the two macroeconomic aims for the government?

A 1 and 2 **B** 1 and 4 **C** 2 and 3 **D** 3 and 4

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17 The central bank of Mexico set its rate of interest to try to keep the rise in the price level to only 3%.

Which government aim was it directly trying to achieve?

A balance of payments equilibrium

B economic growth

C full employment

D low inflation

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11 Under which circumstances are households more likely to save?

	inflation rate	interest rate	unemployment rate
A	high	high	high
B	high	high	low
C	low	high	low
D	low	low	low