Week 27

IGCSE Economics

Homework bundle for this week

本周作业合集

exercises.lol

Contents 目录

IGCSE Economics Name: ______ Score: ______

1. Specialisation means a country concentrates on producing:
   - ☐ what it produces most efficiently
   - ☐ everything it needs
   - ☐ only luxury goods
   - ☐ nothing at all
2. A tariff is:
   - ☐ a tax on imports
   - ☐ a limit on import quantity
   - ☐ a subsidy to exporters
   - ☐ a ban on all trade
3. An exchange rate is:
   - ☐ the price of one currency in terms of another
   - ☐ the interest rate
   - ☐ the inflation rate
   - ☐ a tax on imports
4. Which are part of the current account? (Select all that apply.)
   - ☐ trade in goods
   - ☐ trade in services
   - ☐ income from investments abroad
   - ☐ the unemployment rate

   Tick every correct option.
5. Which are gains from free trade? (Select all that apply.)
   - ☐ lower prices for consumers
   - ☐ more choice
   - ☐ economies of scale for producers
   - ☐ higher prices

   Tick every correct option.
6. A quota restricts trade by:

- ☐ limiting the quantity that can be imported
- ☐ taxing imports
- ☐ subsidising imports
- ☐ lowering import prices

7. Currency depreciation means the currency has:
   - ☐ fallen in value
   - ☐ risen in value
   - ☐ stayed the same
   - ☐ been banned

8. A country exports 120 and imports 150 of goods and services. What is the deficit?

   ____

9. Which are reasons governments restrict trade? (Select all that apply.)
   - ☐ to protect infant industries
   - ☐ to protect jobs
   - ☐ to guard against dumping
   - ☐ to lower domestic prices

   Tick every correct option.

10. Specialisation and trade can make both trading countries better off.

    ☐ True ☐ False

6. International trade and globalisation

IGCSE Economics

1. **what it produces most efficiently**

   It focuses on its most efficient products and trades for the rest.

2. **a tax on imports**

   A tariff is an import tax; a quota is a quantity limit.

3. **the price of one currency in terms of another**

   It is the price of a currency, set by supply and demand.

4. **trade in goods; trade in services; income from investments abroad**

   The current account covers goods, services, income and transfers.

5. **lower prices for consumers; more choice; economies of scale for producers**

   Trade lowers prices and widens choice; higher prices is not a gain.

6. **limiting the quantity that can be imported**

   A quota caps the quantity of imports allowed.

7. **fallen in value**

   Depreciation is a fall; appreciation is a rise.

8. **30**

   $150 - 120 = 30$ deficit.

9. **to protect infant industries; to protect jobs; to guard against dumping**

   Protection tends to raise, not lower, domestic prices.

10. **True**

    Each gets more than it could by producing everything alone.

IGCSE ECONOMICS • EXERCISE SHEET

6.1 Specialisation and free trade

Name: ____________ Class: ________ Date: __________ **Total: 18 marks**

KEY WORDS trade 贸易 • free trade 自由贸易 • exports 出口 • living standards 生活水平 • imports 进口

Objective

Build the skills to answer exam questions on **specialisation and free trade 专业化与自由贸易** — national **specialisation 专业化**, **exports and imports 出口与进口**, and the benefits and costs of **free trade 自由贸易**.

You must be able to:

- explain national specialisation, exports and imports
- state the benefits and disadvantages of free trade
- analyse the effect of free trade on consumers and firms

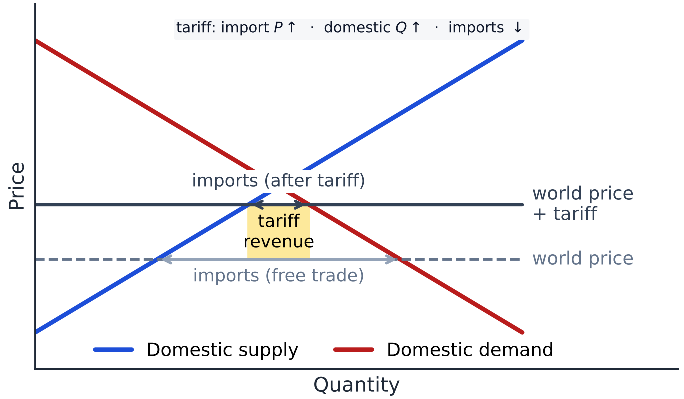
1 Worked examples

■ Why countries trade

A country focuses on what it makes best, then trades for the rest

- **Specialisation 专业化**: a country makes the goods it is best at → **exports 出口** them and **imports 进口** others.
- **Free trade 自由贸易**: trade with no barriers. **Benefits:** cheaper goods, more

choice, economies of scale, more competition → higher **living standards 生活水平**.
- **Costs:** domestic firms may not compete (job losses); over-**dependence 依赖**; **infant industries 幼稚产业** may never grow.



Free trade removes barriers like the tariff shown here — lowering price and raising the quantity traded

Answer shapes: K + App + An + Ev (a justified judgement, for discuss questions).

2 Practice

2.1 Define the term *free trade*. [2]

2.2 State the difference between *exports* and *imports*. [2]

2.3 State one benefit of free trade to consumers. [1]

3 Exam-style questions

3.1 A benefit of free trade to consumers is: [1]

- **A** higher prices
- **B** a wider choice of cheaper goods
- **C** more domestic job losses
- **D** less competition

3.2 Explain two benefits to a country of specialising and trading with others. [4]

3.3 Discuss whether free trade is always good for a country. [8]

Solutions

IGCSE Economics answers are marked by **level of response**: award **K** knowledge, **App** application, **An** analysis and **Ev** a justified judgement.

2.1 trade between countries with no barriers — no taxes or limits on imports (2 for a clear definition; 1 for a partial idea).

2.2 exports are goods a country sells to other countries; imports are goods it buys from other countries (2 for a clear difference; 1 for a partial idea).

2.3 any one of: lower prices; a wider choice of goods (1).

3.1 B. Free trade gives consumers a wider choice of cheaper goods.

3.2 *[4]* For **each** of two benefits: K 1 + An 1 — *cheaper goods*: a country buys goods more cheaply from abroad than making them itself → lower prices and higher living standards; *bigger markets*: firms sell to the whole world → they gain economies of scale → lower costs.

3.3 *[8]* K/App/An up to 5 + Ev up to 3. **Good:** cheaper goods, more choice, economies of scale and stronger competition raise living standards. **Bad:** domestic firms may close if they cannot compete (job losses), a country can become over-dependent, and infant industries may never develop. **Judgement (Ev):** free trade usually raises living standards, but it can harm firms that cannot compete and new industries — so some limited, temporary protection may be justified; it depends on the country's industries.

Name: IGCSE Economics: **w25 13**

28 What is **not** a likely benefit of free trade?

A consumers should experience lower prices

B consumers should have a greater choice of goods

C firms could be protected from foreign competition

D firms could take advantage of economies of scale

IGCSE Economics: **m25 22**

5 Finland is a high-income country that usually has a higher value of exports than imports. It has a strong commercial banking sector which has increased its lending in recent years. The country has an ageing population, with more than a quarter of its population aged over 65. In 2022, Finland's Government had a budget deficit with government spending exceeding tax revenue.

(a) Identify a difference between an export and an import. [2]

(b) Explain why commercial banks may increase their lending. [4]

(c) Analyse how an ageing population may affect a country's economic growth rate. [6]

(d) Discuss whether supply-side policy measures will reduce a government's budget deficit. [8]

IGCSE Economics: **w24 12**

27 What might encourage international specialisation between countries?

A free trade

B inefficiencies in production

C labour immobility

D tariffs

IGCSE Economics: **s24 11**

27 What is an advantage to a firm of specialisation at a national level?

A dependency on supplies from other countries

B greater competition from overseas firms

C greater depletion of the country's natural resources

D lower average costs due to economies of scale

IGCSE ECONOMICS • EXERCISE SHEET

6.2 Globalisation and trade restrictions

Name: ____________ Class: ________ Date: __________ **Total: 19 marks**

KEY WORDS mnc 跨国公司 • tariff 关税 • trade protection 贸易保护 • subsidy 补贴 • infant industry 幼稚产业

Objective

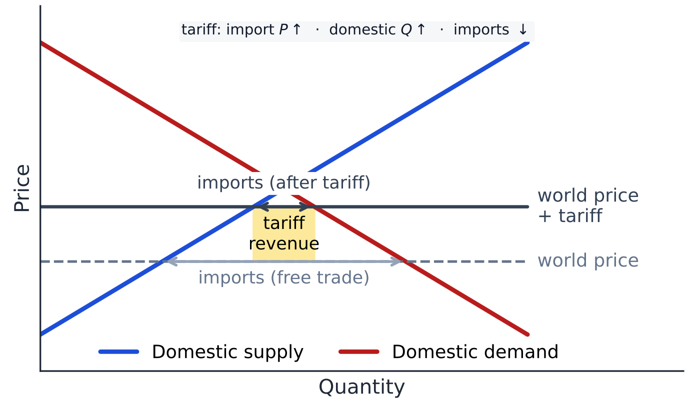
Build the skills to answer exam questions on **globalisation and trade restrictions** 全球化与贸易限制 — **globalisation** 全球化, **multinational companies** 跨国公司 (MNCs), and **trade protection** 贸易保护 (**tariff, quota, subsidy, embargo** 关税、配额、补贴、禁运).

You must be able to:

- define globalisation and describe MNCs
- describe the methods and reasons for trade protection
- analyse the effects of a tariff

1 Worked examples

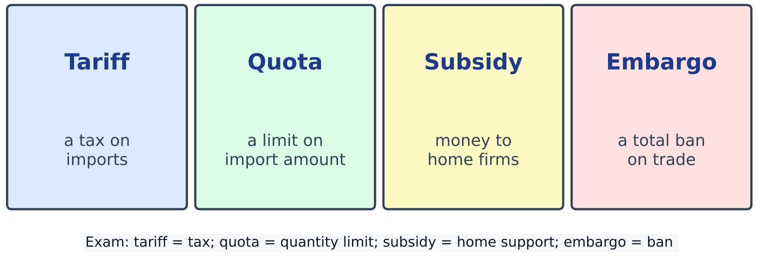
■ **Trade protection**



Globalisation joins the world's economies more closely

- **Globalisation** 全球化: economies becoming more joined (trade, internet, firms across borders).

- **MNC** 跨国公司: produces in more than one country → brings jobs and investment to the **host country** 东道国, but profits may leave.
- **Protection methods: tariff** 关税 (tax on imports), **quota** 配额 (limit on amount), **subsidy** 补贴, **embargo** 禁运.
- **Reasons:** protect jobs, an **infant industry** 幼稚产业, stop **dumping** 倾销, raise revenue.



The toolkit of protection: tariff, quota, subsidy and embargo — each restricts trade differently

Answer shapes: K + App + An + Ev (a justified judgement, for discuss questions).

2 Practice

2.1 Define the term *tariff*. [2]

2.2 State the difference between a *tariff* and a *quota*. [2]

2.3 Define the term *multinational company (MNC)*. [2]

3 Exam-style questions

3.1 A **quota** is best described as: [1]

- **A** a tax on imports
- **B** a limit on the amount of a good that can be imported
- **C** a payment to domestic firms
- **D** a total ban on trade

3.2 Explain two reasons why a government might use trade protection. [4]

3.3 Discuss whether a country should protect its industries from foreign competition. [8]

Solutions

IGCSE Economics answers are marked by **level of response**: award **K** knowledge, **App** application, **An** analysis and **Ev** a justified judgement.

2.1 a tax on imports, which makes them dearer (2 for a clear definition; 1 for a partial idea).

2.2 a tariff is a tax that raises the price of imports; a quota is a limit on the amount of a good that can be imported (2 for a clear difference; 1 for a partial idea).

2.3 a firm that produces in more than one country (2 for a clear definition; 1 for a partial idea).

3.1 B. A quota limits the amount of imports.

3.2 *[4]* For **each** of two reasons: K 1 + An 1 — *protect jobs / an infant industry*: barriers keep out cheaper imports → home firms survive and jobs are saved while a new industry grows; *stop dumping*: a tariff raises the price of goods sold below cost → it protects local firms from being destroyed.

3.3 *[8]* K/App/An up to 5 + Ev up to 3. **For protection:** it protects jobs and infant industries, prevents dumping, and raises tariff revenue. **Against:** prices rise and choice falls for consumers, protected firms stay weak and lazy, and other countries may retaliate (a trade war that harms exporters). **Judgement (Ev):** limited, temporary protection of a genuine infant industry can be justified, but broad long-term protection usually lowers living standards — so it depends on the industry and the risk of retaliation.

17 A government imposes tariffs on imported goods.

What is **not** a likely reason for this?

A to boost domestic output

B to influence the country's balance of payments

C to protect domestic employment

D to reduce the exports from the country

30 A government wishes to reduce the deficit on the current account of its balance of payments.

Which policy should it adopt?

A increase subsidies on exports

B increase taxes on its exports

C remove an embargo on imports

D remove tariffs on its imports

IGCSE Economics: **w25 22**

5 Some countries engage in dumping by selling their products at less than cost price in Cambodia. The Cambodian Government wants the country to become a high-income economy by 2050. It uses fiscal, monetary and supply-side policies to increase its economic growth rate. Cambodia subsidises some infant industries. The country has one of the world's largest deficits on the current account of its balance of payments (as a percentage of GDP). Some economists suggest cutting taxes would reduce this deficit.

(a) Identify **two** motives for a firm dumping some of its products in a foreign market. [2]

(b) Explain **two** differences between monetary policy and supply-side policy. [4]

(c) Analyse how a government subsidy could help to protect an infant industry against foreign competition. [6]

(d) Discuss whether or not cuts in taxes will reduce a deficit on the current account of a country's balance of payments. [8]

IGCSE Economics: **s25 11**

28 What might an economist consider to be meant by the term *dumping*?

A foreign firms exporting waste products

B foreign firms producing goods at a lower cost than domestic firms

C foreign firms selling goods that are out of fashion

D foreign firms exporting products at a price below the cost of production

28 The UK government increases the price of steel imported from Germany by increasing an existing tariff.

Assuming steel has price-inelastic demand, what would be the effect on the revenues of German steel producers and the UK government?

	German steel producers' revenue	UK government revenue
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase

IGCSE Economics: **w24 11**

28 A multinational company (MNC) opens up a new factory in a host country.

What is a possible cost of this new factory to the host country?

A increased access to modern technology

B increased competition for host-country industries

C increased employment for workers

D increased tax revenue for the government

IGCSE Economics: **w24 12**

28 A government wishes to stop the dumping of a specific imported good at a very low price.

Which method of protection would be most effective?

A apply an embargo to this good

B devalue the currency

C increase interest rates

D provide subsidies to home producers of this good

28 A country wants to limit the number of imported cars to a maximum of 100 000 in a year.

Which measure is most likely to achieve this objective?

A an embargo

B an import quota

C an import tariff

D a subsidy

IGCSE Economics: **w24 21**

4 The World Trade Organization (WTO) estimates that India has the largest levels of trade protection of any major economy. The highest tariffs are imposed on products from the primary sector. For example, in 2018 India imposed a tariff of approximately 90% on imports of coffee to protect its coffee farmers. However, the markets for coffee substitutes and complements do not have such levels of government intervention.

(a) Identify **two** methods of trade protection apart from a tariff. [2]

(b) Explain how the price of coffee substitutes and complements can affect the demand for coffee. [4]

(c) Analyse possible reasons why a government may want to intervene in a market. [6]

(d) Discuss whether or not high tariffs can reduce unemployment. [8]

IGCSE ECONOMICS • EXERCISE SHEET

6.3 Foreign exchange rates

Name: ____________ Class: ________ Date: __________ **Total: 16 marks**

KEY WORDS exchange rate 汇率 • currency 货币 • floating exchange rate 浮动汇率 • depreciation 贬值 • appreciation 升值

Objective

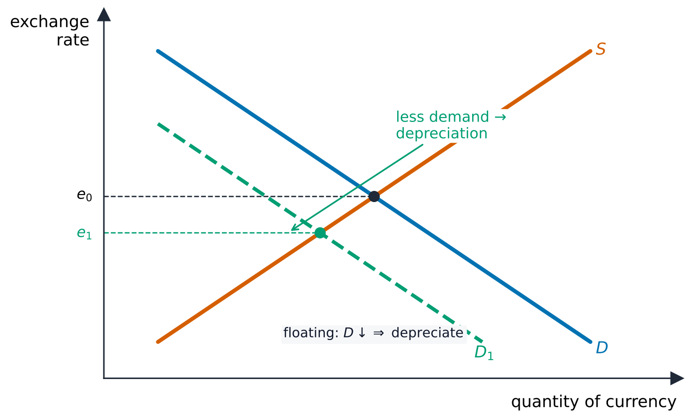
Build the skills to answer exam questions on **foreign exchange rates 外汇汇率** — how a **floating exchange rate 浮动汇率** is set, and **appreciation and depreciation 升值与贬值** and their effects on trade.

You must be able to:

- explain how demand and supply set a floating exchange rate
- distinguish appreciation from depreciation
- analyse the effects of a change in the exchange rate on exports and imports

1 Worked examples

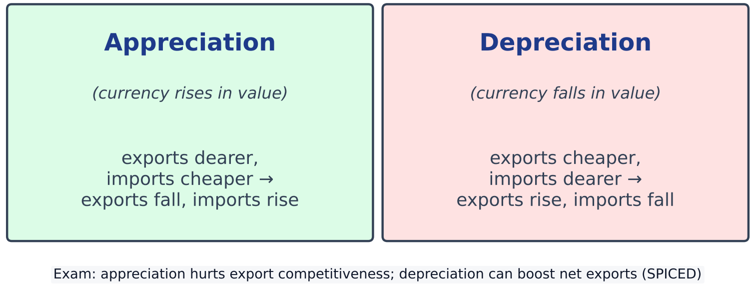
■ **The exchange rate**



The exchange rate is the price of one currency in another

- **Floating exchange rate 浮动汇率**: set by demand for and supply of the currency.

- **Appreciation 升值**: the currency rises → exports **dearer**, imports **cheaper** → exports fall, imports rise.
- **Depreciation 贬值**: the currency falls → exports **cheaper**, imports **dearer** → exports rise, imports fall.



The effects in full: appreciation versus depreciation on export and import prices and the trade balance

Answer shapes: an **Analyse** [**up to 6**] answer may use a currency diagram; **Discuss** [**8**] adds a judgement (Ev).

2 Practice

2.1 Define the term *exchange rate.* [2]

2.2 State the effect of a **depreciation** on the price of exports and imports. [2]

2.3 State what sets a floating exchange rate. [1]

3 Exam-style questions

3.1 When a country's currency **appreciates**, its: [1]

- **A** exports become cheaper and imports dearer
- **B** exports become dearer and imports cheaper
- **C** exports and imports both become cheaper
- **D** exports and imports both become dearer

3.2 Using a currency demand and supply diagram, explain how a rise in demand for a country's exports affects its exchange rate. [4]

3.3 Analyse how a depreciation of a country's currency affects its exports and imports. [6]

Solutions

IGCSE Economics answers are marked by **level of response**: award **K** knowledge, **App** application, **An** analysis and **Ev** a justified judgement.

2.1 the price of one currency in terms of another (2 for a clear definition; 1 for a partial idea).

2.2 exports become cheaper (to foreigners) and imports become dearer (2 for both; 1 for one).

2.3 the demand for and supply of the currency (1).

3.1 B. An appreciation makes exports dearer and imports cheaper.

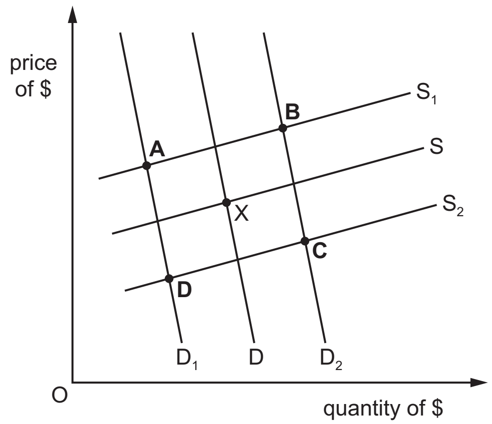
3.2 *[4]* K 1 + **diagram up to 2** (demand for the currency shifts right, rate rises) + An 1 — foreigners buying more exports must buy the currency → demand for it rises → with supply unchanged, the exchange rate rises (an appreciation).

3.3 *[6]* K/App/An — a depreciation lowers the currency's value → the country's exports become cheaper for foreign buyers, so they buy more → exports rise; at the same time imports become dearer for home buyers, so they buy fewer → imports fall → so a depreciation tends to raise exports and cut imports (which can improve the current account, though it may raise inflation as imports cost more).

Name: IGCSE Economics: **w25 11**

29 The US currently trades in oil with the UK. The discovery of new oil and gas deposits in the US will mean that its oil imports decrease and its oil exports increase.

From the initial equilibrium point of X, which letter indicates the new equilibrium point for the US exchange rate?



30 What is most likely to directly result from a persistent and large current account surplus on the balance of payments of a country?

A a lower exchange rate

B a lower standard of living

C an increase in gross domestic product

D an increase in the unemployment rate

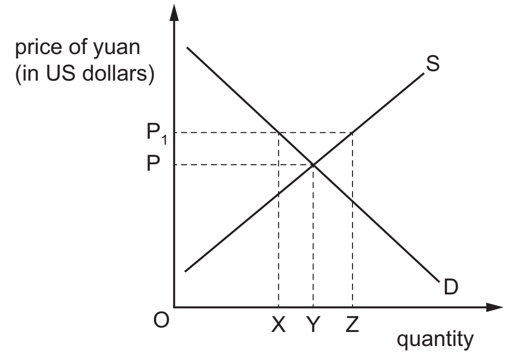
IGCSE Economics: **w25 13**

20 Which combination of policy measures is most likely to increase total demand in an economy?

	money supply	interest rate	exchange rate
A	decrease	decrease	revaluation
B	decrease	increase	devaluation
C	increase	decrease	devaluation
D	increase	increase	revaluation

Name: IGCSE Economics: **s25 11**

29 In the diagram, D is the demand curve for the Chinese yuan and S is the supply curve of the Chinese yuan.



The Chinese central bank wishes to set the price of the yuan at P_1.

Which action would it have to take?

A buy XY yuan

B buy XZ yuan

C sell XY yuan

D sell XZ yuan

IGCSE Economics: **s25 12**

29 The table shows the retail price at which the same book can be bought in four countries.

country	price in local currency	local currency
Australia	$14.99	Australian dollars
Canada	$11.99	Canadian dollars
New Zealand	$20.95	New Zealand dollars
United Kingdom	£6.99	GB pound

What additional information is required to make a meaningful comparison of the price of the book between the countries?

A direct tax rates

B exchange rates

C inflation rates

D level of import tariffs

Name:

IGCSE Economics: **s25 13**

29 The table shows the value of the UK pound (£) against the US dollar ($) in June and September.

June	September
£1 = $1.48	£1 = $1.32

What will be the likely consequence for the UK economy in the short run of the change in the exchange rate?

A an increase in the budget deficit

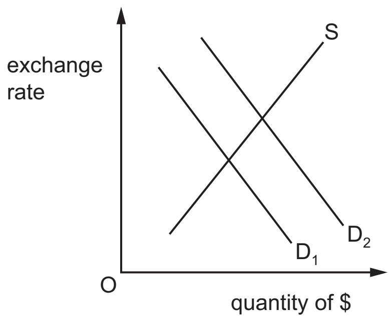
B an increase in the price of exports

C an increase in the price of imports

D an increase in unemployment

IGCSE Economics: **w24 11**

29 The diagram shows the change in the exchange rate market for country X's $.



Which change in country X would have caused this?

A a fall in its international competitiveness

B a fall in its level of interest rates

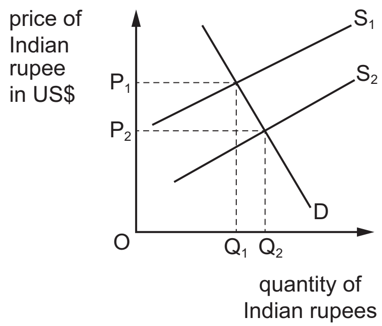
C a rise in its exports of services

D a rise in its imports of goods

Name:

IGCSE Economics: **w24 13**

29 The diagram shows a change in the exchange rate for the Indian rupee against the US$.



What could cause the change in the exchange rate?

A a decrease in the rate of inflation in India

B an increase in demand for imports by people in India

C greater foreign direct investment into India

D greater purchases of its own currency by the Indian central bank

IGCSE Economics: **w24 22**

3 The central bank of Madagascar intervenes in the country's foreign exchange market. However, Madagascar has a largely market economic system. Nearly 70% of Madagascar's population live in poverty. Most of the country's industries are labour-intensive. In 2020, Madagascar had an economic growth rate of 6% and a deficit on the current account of its balance of payments of $0.6bn.

(a) Define *foreign exchange market*. [2]

(b) Explain **two** reasons why a firm may adopt labour-intensive production. [4]

(c) Analyse how the macroeconomic aims of economic growth and balance of payments stability may conflict. [6]

(d) Discuss whether or not a high level of poverty is likely to exist in a market economic system. [8]

IGCSE ECONOMICS • EXERCISE SHEET

6.4 Current account of the balance of payments

Name: ____________ Class: ________ Date: __________ **Total: 18 marks**

KEY WORDS current account 经常账户 • balance of payments 国际收支 • deficit 逆差 • surplus 顺差 • trade in goods 货物贸易

Objective

Build the skills to answer exam questions on **the current account of the balance of payments** 经常账户 — its four sections, **deficit and surplus** 逆差与顺差, and how to **correct a deficit** 纠正逆差.

You must be able to:

- state the four sections of the current account
- explain a current account deficit and surplus
- analyse policies to correct a deficit

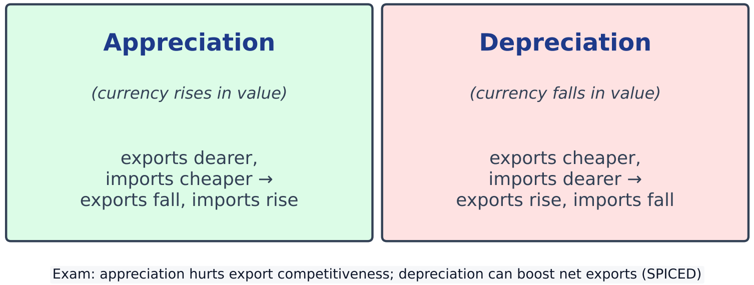
1 Worked examples

■ **The current account**

A record of money flowing into and out of a country

- **Four sections: trade in goods** 货物贸易, **trade in services** 服务贸易, **primary income** 初次收入 (wages, interest, profit from abroad), **secondary income** 二次收入 (aid, gifts).

- **Deficit** 逆差: more money flows out than in. **Surplus** 顺差: more flows in than out.
- **Correct a deficit by:** cutting demand, a **depreciation** 贬值, trade protection, or raising **competitiveness** 竞争力.



A depreciation is one cure for a deficit: cheaper exports, dearer imports, a smaller trade gap

Answer shapes: K + App + An + Ev (a justified judgement, for discuss questions).

2 Practice

2.1 State the four sections of the current account. [2]

2.2 Define the term *current account deficit.* [2]

2.3 State one way a government could reduce a current account deficit. [1]

3 Exam-style questions

3.1 Which is part of the **current account**? [1]

- **A** the sale of government bonds to foreigners
- **B** trade in services
- **C** the country's gold reserves
- **D** a loan from a foreign bank

3.2 Explain two reasons why a country might have a current account deficit. [4]

3.3 Discuss whether a current account deficit is always a problem for a country. [8]

Solutions

IGCSE Economics answers are marked by **level of response**: award **K** knowledge, **App** application, **An** analysis and **Ev** a justified judgement.

2.1 trade in goods; trade in services; primary income; secondary income (2 for all four; 1 for two or three).

2.2 when more money flows out of a country than into it on the current account (it buys more from abroad than it sells) (2 for a clear definition; 1 for a partial idea).

2.3 any one of: cut total demand; let the currency depreciate; use trade protection; raise competitiveness (1).

3.1 B. Trade in services is part of the current account.

3.2 *[4]* For **each** of two reasons: K 1 + An 1 — *high demand for imports*: rising incomes mean people buy more foreign goods → imports exceed exports; *low competitiveness*: home goods are dear or low-quality → exports are low while imports are high → a deficit.

3.3 *[8]* K/App/An up to 5 + Ev up to 3. **A problem if:** it is large and persistent, the country must borrow or sell assets to pay for it, and it signals weak competitiveness. **Not always:** a deficit caused by importing machines and capital goods can raise future output, and a country with strong investment inflows can sustain one. **Judgement (Ev):** a small, temporary deficit (especially to buy capital goods) is not a worry, but a large, lasting one financed by borrowing is — so it depends on the cause and how it is financed.

29 Which combination of changes in export revenue and import expenditure is most likely to cause a country's exchange rate to depreciate?

	export revenue	import expenditure
A	decreases	decreases
B	decreases	increases
C	increases	decreases
D	increases	increases

IGCSE Economics: **w25 13**

27 What is a likely benefit of increased national specialisation?

A It guarantees a balance of trade in goods and services surplus.

B It increases dependency on other economies.

C It lengthens international supply chains.

D It reduces the cost of living.

29 Which combination of changes would definitely raise the price of the Pakistani rupee on the foreign exchange market?

	demand for Pakistan's exports	Pakistan's demand for imports
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase

30 The table shows the values of the items in a country's current account in two years.

item	year 1 ($m)	year 2 ($m)
balance of goods and services	–30	0
net primary income	–30	–20
net secondary income	?	?
balance of current account	–50	+10

How did the value of net secondary income change between year 1 and year 2?

A decreased by $10m

B decreased by $20m

C increased by $20m

D increased by $30m

IGCSE Economics: **s25 13**

21 Brazil's real GDP fell by 3.8% in a year.

What might have caused this?

A a decrease in imports

B a decrease in income tax

C an increase in interest rates

D an increase in output per worker

30 The table shows a selection of economic data for a country.

	$m
primary income	1000
secondary income	–500
total value of exported goods	1000
total value of imported goods	2000
total value of exported services	800
total value of imported services	200

What is the current account balance of the balance of payments of this country?

A $100m **B** $600m **C** $4500m **D** $4725m

5 In 2023, the Chinese Government said that it would aim for an economic growth rate of 5% and a steady increase in both exports and imports. It was expected that higher output would be caused mainly by an increase in household spending, although this could also result in inflation. Another aim of the Chinese Government was to keep the unemployment rate at around 5.5%. China has an ageing population and an ageing labour force.

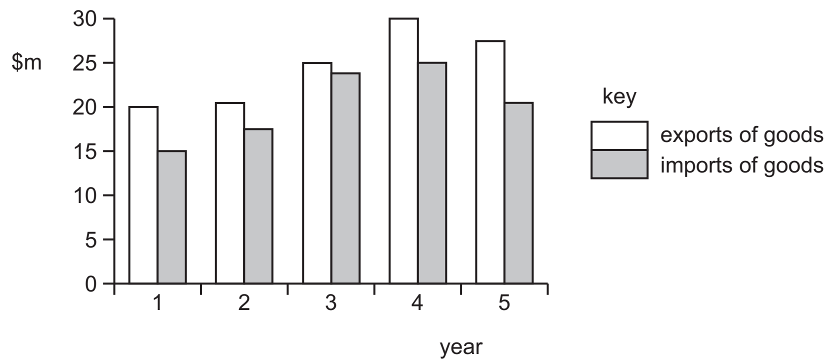
(a) Identify **two** influences on household spending. [2]

(b) Explain **two** advantages of employing older workers. [4]

(c) Analyse how an increase in household spending could cause inflation. [6]

(d) Discuss whether or not a government should aim for an increase in imports. [8]

30 The diagram shows the value of a country's exports and imports of goods over five years.



Between which two years did the country have an increase in the value of imports and an improvement in its balance of trade in goods?

A 1 and 2 **B** 2 and 3 **C** 3 and 4 **D** 4 and 5

30 Country X records these selected items in the current account of its balance of payments.

- Country X exports $200m of goods.
- Country X imports $50m of services.
- Country Y's citizens working in country X send home to relatives $25m.
- Country X sends country Y $75m of aid.

By how much did the balance on the current account of country X increase?

A $50m **B** $100m **C** $200m **D** $350m