

16 The table shows selected statistics for a country.

	\$bn
gross domestic product at market prices	600
indirect taxes	100
subsidies	50

What is the value of gross domestic product at basic prices?

- A** \$500bn **B** \$550bn **C** \$650bn **D** \$700bn

17 The table below shows some national income statistics.

	\$ billion
GDP at basic prices	300
Indirect taxes	20
Subsidies	4

What is GDP at market prices?

- A** \$276bn **B** \$284bn **C** \$316bn **D** \$324bn

18 Under which conditions will real Gross Domestic Product (GDP) grow the fastest?

	rate of change in nominal GDP (% per year)	rate of change in general price level (% per year)
A	0	−2
B	0	+2
C	+2	−2
D	+2	+2

27 What is an example of primary income in the current account of the balance of payments of Pakistan?

- A** dividends received by a Pakistani resident from shares in a domestic firm
B profits of Pakistani businesses exporting goods
C rent received by a Pakistani resident from a property in another country
D salary received by a Pakistani engineer from a foreign-owned producer operating in Pakistan

16 Which statement correctly describes an increase in real GDP?

- A** Nominal GDP rising faster than nominal income.
B Nominal GDP rising faster than the rate of inflation.
C The rate of inflation rising faster than aggregate demand.
D The rate of inflation rising faster than nominal income.

26 Why does the value of a country's terms of trade have no monetary units?

- A** It cannot be calculated accurately enough.
B It includes more than one currency.
C It is a ratio of two index numbers.
D It measures change over time.

20 The table shows figures estimated at the end of a train drivers' strike.

	\$ (000s)
loss of ticket revenue for train companies	600
value placed on extra leisure time by strikers	20
loss of government tax revenue	40
overtime payments to police	30

What was the reduction in the recorded level of national income resulting from the strike?

- A** \$570 000 **B** \$610 000 **C** \$640 000 **D** \$690 000