1.May 2024-11/30

Brazil had a balance of payments current account deficit of US$23.5 billion.

Which policy is most likely to reduce the current account deficit in Brazil?

A depreciate Brazil's currency

B reduce rates of income tax in Brazil

C reduce subsidies to Brazil's exporting firms

D reduce tariffs on Brazil's imports

2. May 2024-12/30

The table shows components of Japan's current account balance in trillion yen (¥) for 2 years.

year	balance of goods ¥ trillion	balance of services ¥ trillion	balance of primary income ¥ trillion	balance of secondary income ¥ trillion
1	–1.61	–1.76	14.04	–1.11
2	–5.23	–2.33	13.55	–1.02

Which balance improved between year 1 and year 2?

A balance of goods

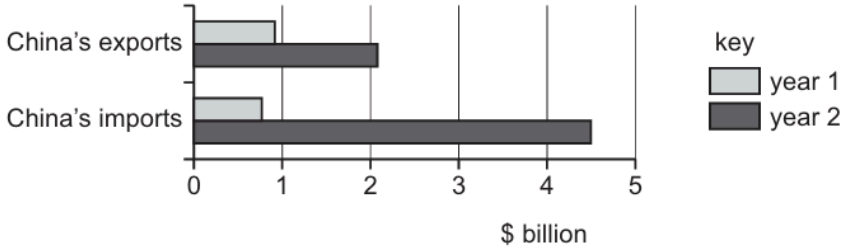
B balance of primary income

C balance of secondary income

D balance of services

3. May 2024-13/30

The diagram shows China's trade with Brazil for two years.



What happened to China's trade balance with Brazil between year 1 and year 2?

A It experienced a falling surplus.

B It experienced a rising deficit.

C It moved from deficit to surplus.

D It moved from surplus to deficit.

4.March 2024-12/30

What is included in the primary income component on the current account of the balance of payments?

A dividends and interest from investment in other countries

B expenditure on accommodation by international tourists visiting a country

C expenditure on imported raw materials

D social security payments paid to residents living abroad

5.Oct 2033-12/30

Many European firms employ workers from the Philippines. These workers send part of their income to relatives in the Philippines.

In which part of the balance of payments current account for the Philippines would these transactions be recorded?

A primary income

B secondary income

C trade in goods

D trade in services

6.Oct 2023-13/30

What is measured in the secondary income balance in a country's current account of the balance of payments?

A net contributions to international and regional organisations

B net exports of goods and services

C net foreign investment flows

D net inflow of income from factors of production abroad

7. May 2023-11/30

Which policy measure is **most** likely to reduce the current account deficit of the balance of payments of an economy?

A decrease the level of subsidies to domestic producers

B increase infrastructure spending to increase domestic productivity

C increase interest rates

D remove import tariffs

8. May 2023-12/30

Country X has a persistent deficit on the current account of the balance payments.

Which policy measure is **most** likely to improve this situation?

A lowering import quotas

B lowering income tax

C lowering import tariffs

D lowering export subsidies

9. May 2023-13/30

What is the correct formula for calculating the current account of the balance of payments?

A balance of trade in goods + balance of trade in services + primary income balance + secondary income balance

B government revenue from abroad – domestic government spending

C $\dfrac{\text{percentage change in quantity demanded of exports}}{\text{percentage change in price of imports}}$

D total exports of services + total imports of goods

10.March 2023-12/30

Which policy measure is **most** likely to reduce the current account deficit of the balance of payments of an economy?

A decrease the level of subsidies to domestic producers

B increase infrastructure spending to increase domestic productivity

C increase interest rates

D remove import tariffs

11.Oct 2022-11/27

The table shows some details from a country's balance of payments that has no secondary income (current transfers).

item	$ million
exports of goods	280
imports of goods	350
exports of services	110
imports of services	60
net primary income	–40

What is the country's balance on its current account?

A a deficit of $60 million

B a deficit of $160 million

C a surplus of $20 million

D a surplus of $760 million

12.Oct 2022-11/28

Vietnamese companies buy insurance from companies in the US.

How will this transaction be recorded in the Vietnamese balance of payments?

	section	credit / debit
A	trade in goods	credit
B	trade in services	credit
C	trade in services	debit
D	current transfers	debit

13.Oct 2022-12/27

The table shows some details from a country's balance of payments. The country has no secondary income (current transfers).

item	$ million
exports of goods	280
imports of goods	350
exports of services	110
imports of services	60
net primary income	–40

What is the country's balance on its current account?

A a deficit of $60 million

B a deficit of $160 million

C a surplus of $20 million

D a surplus of $760 million

14.Oct 2022-13/27

The table shows some details from a country's balance of payments. The country has no secondary income (current transfers).

item	$ million
exports of goods	280
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A a deficit of $60 million

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15.Oct 2022-13/28

Vietnamese companies buy insurance from companies in the US.

How will this transaction be recorded in the Vietnamese balance of payments?

	section	credit / debit
A	trade in goods	credit
B	trade in services	credit
C	trade in services	debit
D	current transfers	debit

16.May 2022-13/29

A country has a surplus on the current account of its balance of payments.

What would be **most** likely to cause the country to move into deficit?

A devaluation of its fixed exchange rate

B government subsidies to its exporters

C improved technology in other countries

D productivity increases in its export industries

17.March 2022-12/28

A person in country X receives a dividend payment on shares that they hold in a firm in country Y.

In which section of the current account of the balance of payments for country X will this dividend appear?

A primary income

B secondary income

C trade in goods

D trade in services

18.May 2021-11/30

A country has a deficit on its current account of its balance of payments.

What could increase the size of its deficit?

A increased exports of its services

B increased international competitiveness of its goods

C increased numbers of visitors from abroad

D increased spending on its military bases abroad

19.May 2021-12/29

What may result from a balance of payments trade surplus?

A The exchange rate appreciates and causes export prices to fall.

B The exchange rate appreciates and causes export prices to rise.

C The exchange rate depreciates and causes export prices to fall.

D The exchange rate depreciates and causes export prices to rise.

20.May 2021-12/30

A country has a deficit on its current account of its balance of payments.

What could increase the size of its deficit?

A increased exports of its services

B increased international competitiveness of its goods

C increased numbers of visitors from abroad

D increased spending on its military bases abroad

21.<May 2021-13/30

A country has a deficit on its current account of its balance of payments.

What could increase the size of its deficit?

A increased exports of its services

B increased international competitiveness of its goods

C increased numbers of visitors from abroad

D increased spending on its military bases abroad

22.March 2021-12/29

A country has a current account deficit on its balance of payments.

Which measure is **most** likely to reduce the deficit?

A a cut in interest rates

B a cut in the rate of income tax

C a depreciation of the exchange rate

D an increase in government expenditure

23.March 2021-12/30

A country experienced a deficit on each of its trade in goods, primary income and secondary income. Overall, it had a surplus on the current account of its balance of payments.

What must this mean?

A It had a floating exchange rate.

B It had a surplus on its trade in services.

C It had a surplus on the government's budget.

D It was a low-income country.