Section B – Questions that ask students to consider policies to reduce the BOP deficit on the current account/ general BOP questions. For each question plan your three main points, and be able to talk through your 4-6 logical chains. Think of 3 evaluations for each point.

1. Evaluate the measures that a government might adopt to reduce a Balance of payments deficit.

Something to think about - What are the causes of the deficit? Is the deficit persistent?

1. Assess the importance of floating exchange rates in trying to reduce a balance of payments deficit.

Something to think about - Domestic monetary policy?

1. Using the data and your economic knowledge, discuss the possible impact on the UK balance of payments of an increasing rate of inflation throughout the global economy. (**Context Question June 2014)**

Something to think about – find answers in context

1. Discuss the possible contribution of supply side reforms to achieving an improvement in the UK balance of trade in goods **(June 2013)**
2. Evaluate the view that an increasing deficit in UK trade in goods is a major problem for the UK economy. **(Jan 2012)**
3. Evaluate government policies which might bring about a reduction in the UK deficit on the balance of trade in goods and services. **(Feb 2011)**
4. Evaluate the significance for the UK balance of payments on current account of increased use of protectionist policies around the world**. (June 2010)**
5. Evaluate the possible consequences for the UK economy of a persistent current account deficit **(Not taken from exam paper)**