

(CH16)

LU 4 - THE FOREIGN SECTOR → ICE TASK ④

Question 4

(Marks: 15)

- Q.4.1** A recession in South Africa reduces the demand for US goods in South Africa. Explain, (6)
with an aid of a graph, the impact of this on the rand/dollar exchange rate as well as
on the equilibrium quantity of dollars.
- Q.4.2** Identify two factors that could cause an increase in the supply of dollars. (4)
- Q.4.3** Although trade between countries is beneficial, governments still take steps to (5)
control the volume of imports in order to protect domestic producers.
Identify five measures that a government could use to restrict imports.