

Topic 3 Guidelines

Multiple Choice Questions

1. B 2. D 3. A 4. B 5. D 6. B 7. A 8. A 9. C 10. D

Essay

11. Guideline: According to the relative PPP theory, 1 pound should equal to 1.2857 mark ($360/280=1.2857$) or 1 mark should equal to 0.778 pounds ($280/360 = 0.778$).