

**24** A political party proposed a policy of quantitative easing (the creation of money by the central bank).

When would such a policy be least likely to destabilise the macroeconomy in the short run?

- A** when the economy was experiencing a high level of inflation
- B** when the economy had price stability but there was full employment of the labour force
- C** when there was a deep recession with high levels of unemployment
- D** when there was full employment and a current account balance of payments deficit