

**4** Nigeria has a mixed economic system. In January 2023, Nigeria had a high unemployment rate of 33% which created a number of costs. Its high inflation rate of 22% had several effects on the country's firms. In 2022 and the start of 2023, Nigerians increased their demand for foreign currency.

**(a)** Identify **two** costs of unemployment. [2]

**(b)** Explain how the key resource allocation decisions are made in a mixed economic system. [4]

**(c)** Analyse the causes of an increase in the demand for foreign currency. [6]

**(d)** Discuss whether or not inflation will harm a country's firms. [8]