



Question 28

(20 marks)

'The Australia-United Kingdom free trade agreement (A-UKFTA), signed virtually on 17 December 2021, is a gold standard trade agreement that represents a once in a generation deal for Australia and a historic movement in our relationship with the United Kingdom'.

- (a) Outline the concept of free trade agreements and describe **three** arguments for trade liberalisation. (8 marks)

- (b) Using demand and supply models, demonstrate and explain how consumers and producers benefit from specialisation and trade. (12 marks)