

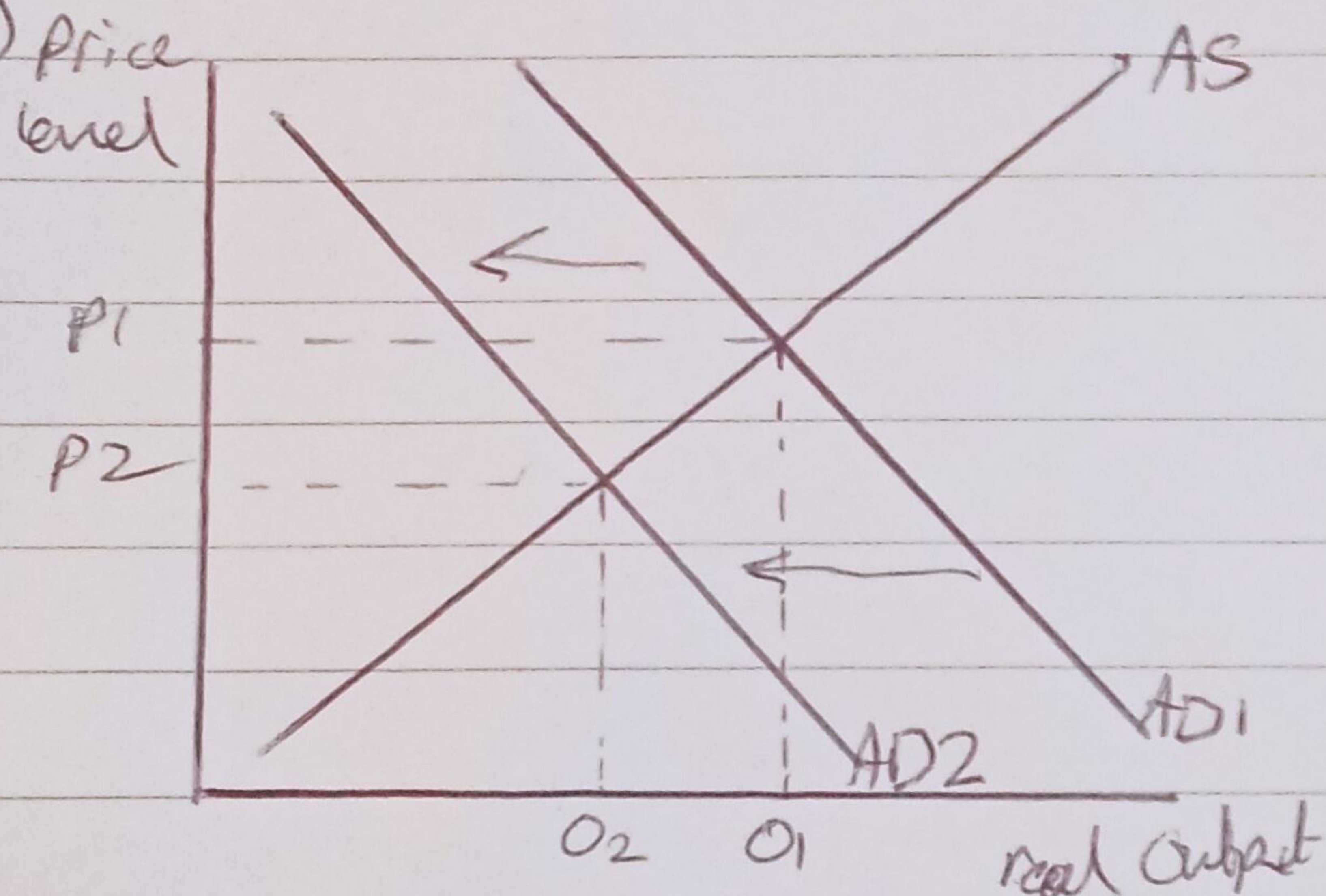
1) D ✓

b)

If ~~each~~ Canada ~~a~~ can ^{produce something at a lower opportunity cost, ~~comparative advantage,~~} than the EU they can specialise ~~in~~ in it and then trade their surplus to the EU who no longer need to make it. This increases trade for both parties and increases GDP through more production ✓
~~3/4~~ Application Timber, car exports, etc

2) D ✓

b)



3) a)

$$\frac{\text{new difference} - \text{original}}{\text{original}} \times 100 = \frac{(-800 - -200)}{-200} \times 100$$

$$= 300\% \quad \checkmark \checkmark$$

b) the current account is the record of financial transactions in and out of a country each year comprising of trade in goods and services ✓✓

c) C ✓

4)

a) There was a fall in economic ~~conf~~ confidence, meaning less ~~people~~ ~~would~~ firms would be investing, growing and thus exporting. ✓✓

b) The national debt will resume its growth rate and government will need to find ways to control the deficit ✓✓

c) B ✓

5)

a) The incredibly low interest rates encourage borrowing as this makes repayments more affordable ✓✓

b) B ✓

c) $100 + 4 = 104$ ✓✓

base 4%
 inc