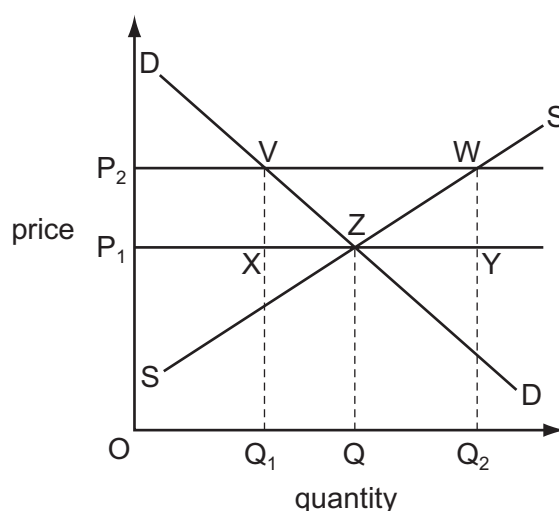


- 18 The diagram shows the market for apples. A government maintains a minimum price  $P_2$  by buying apples.



Which area shows the amount of money the government has to spend to maintain the price  $P_2$ ?

- A**  $P_2WYP_1$       **B**  $P_2VQ_1O$       **C**  $P_2WQ_2O$       **D**  $VWQ_2Q_1$
- 19 Thailand produces rubber at a lower opportunity cost than China. It does, however, import some rubber from China.

What could explain Thailand importing rubber from China?

- A** China imposes lower tariffs on rubber imports than Thailand.  
**B** China is consuming increasing quantities of rubber in industry.  
**C** Thailand has the absolute but not the comparative advantage in rubber production.  
**D** Thailand wants to avoid the risks involved in overspecialising in rubber production.
- 20 Which argument supports trade protection?
- A** It might decrease domestic prices.  
**B** It might help new industries.  
**C** It might increase competition.  
**D** It might increase specialisation.