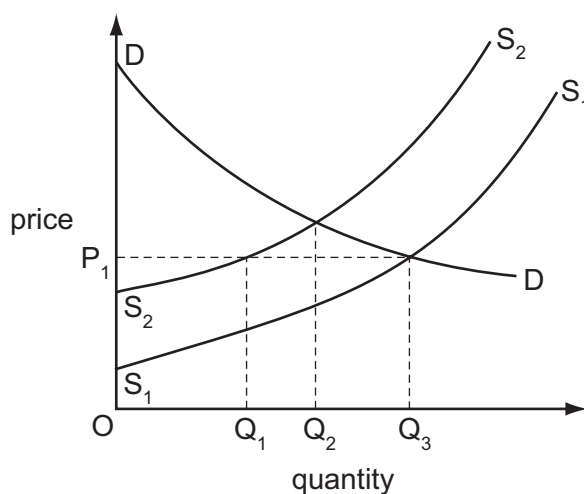


- 18 In the diagram, S_1S_1 and DD represent the original supply and demand curves for an agricultural product.



Bad weather then reduces supply to S_2S_2 .

How much of the product will the government have to supply from stocks if it wishes to keep the price at OP_1 ?

- A** OQ_3 **B** Q_1Q_3 **C** Q_1Q_2 **D** Q_2Q_3
- 19 What would cause a country to lose its comparative advantage in producing rice?
- A** Another country becomes able to produce rice at a lower opportunity cost.
- B** There is a global fall in demand for rice.
- C** There is a fall in tariffs imposed by rice importers.
- D** Transport costs to and from another country producing rice decrease.