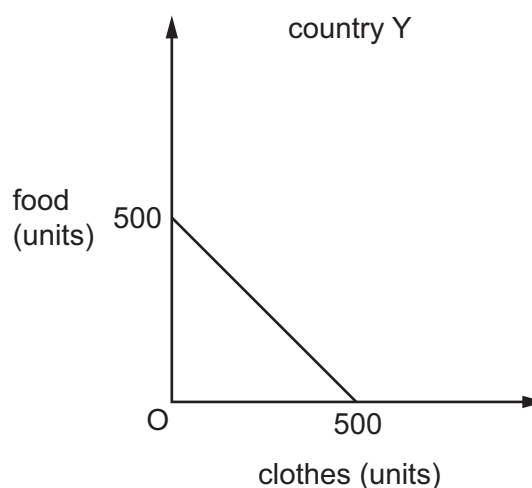
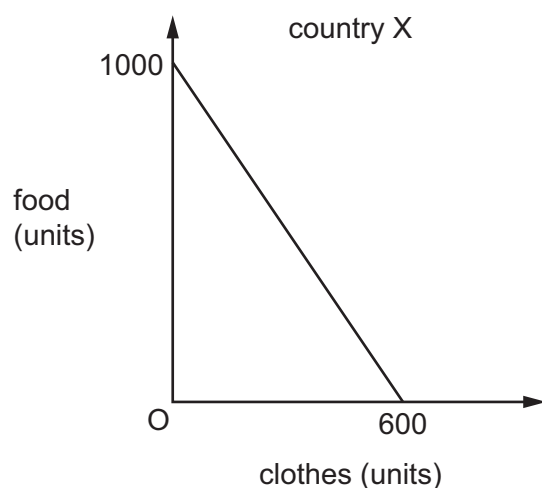
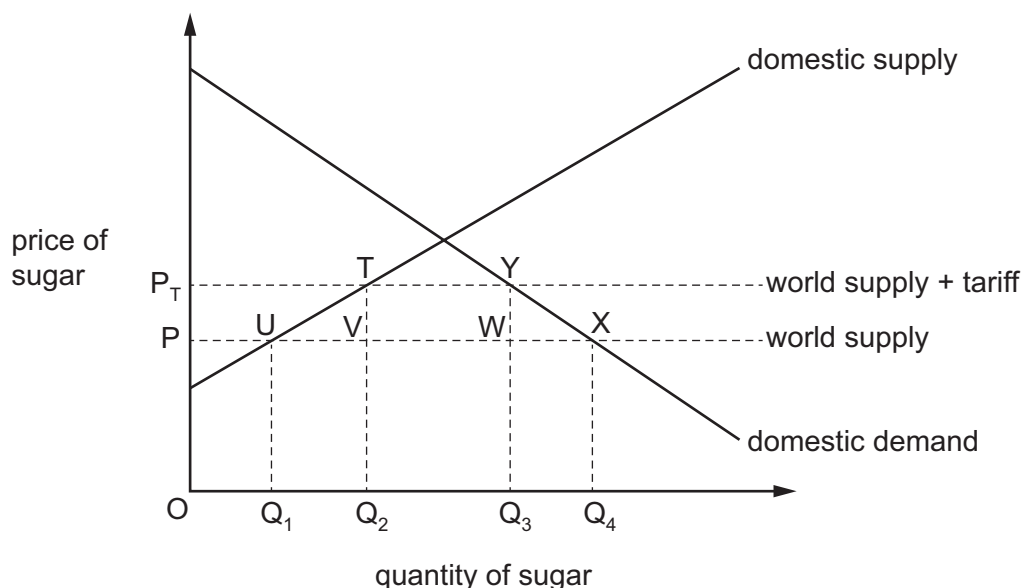


- 19 The diagrams show the production possibility curves of two countries, X and Y, both of which can produce food and clothes.



Which statement about production in the two countries is correct?

- A X has absolute advantage in clothes and Y has absolute advantage in food.
  - B X has absolute advantage in clothes and Y has comparative advantage in food.
  - C X has absolute advantage in food and Y has absolute advantage in clothes.
  - D X has absolute advantage in food and Y has comparative advantage in clothes.
- 20 The diagram shows the effect of removing a tariff on imports of sugar into a country.



Which area represents the loss of producer surplus for domestic producers of sugar in the country?

- A  $P_T T U P$
- B  $P_T T V P$
- C  $P_T Y X P$
- D  $T Y W V$