24 Two statements are shown.

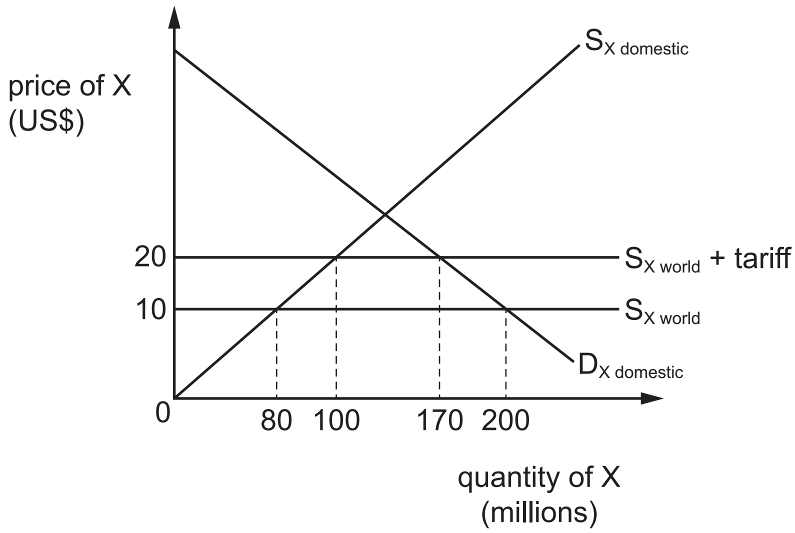
1 A country can produce a good at a lower opportunity cost than another country.

2 A country can produce a greater quantity of a good for the same quantity of inputs than another country.

What do these two statements describe?

	1	2
A	absolute advantage	comparative advantage
B	absolute advantage	the terms of trade
C	comparative advantage	absolute advantage
D	the terms of trade	comparative advantage

25 The diagram shows the effect of the introduction of a tariff on good X by country Y.



What is the revenue, in US$ million, received by producers of good X in country Y after the tariff is introduced?

A 400 **B** 800 **C** 1000 **D** 2000

26 Between 2011 and 2013, retailers reported that expenditure on domestically-produced and imported goods had reduced. This was because consumers did not take out loans as the economy was in a recession.

What is the likely result of this?

A a decline in the deficit in the trade account

B a decline in the level of savings

C a decline in the terms of trade

D a decline in unemployment