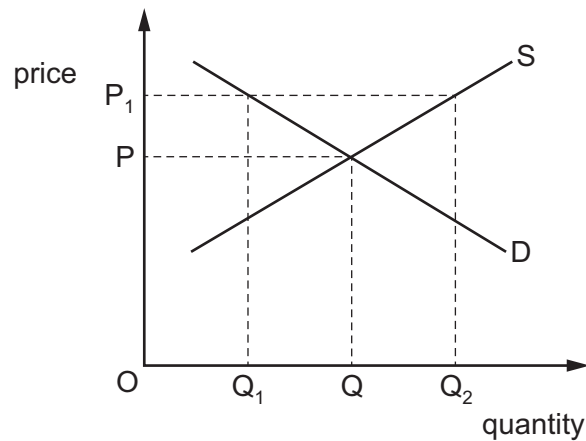


14 The diagram shows the demand and supply curves for a good.



The government fixes a maximum price of OP_1 .

What would happen?

- A** Consumers would have to be rationed to quantity OQ_1 .
- B** The government would have to introduce a subsidy of PP_1 .
- C** The market equilibrium quantity OQ would be demanded and supplied.
- D** The supply of quantity OQ_2 would be guaranteed.

15 Which statement correctly describes absolute advantage?

- A** It is when a country has a higher opportunity cost in producing a good than another country.
- B** It is when a country has a lower wage cost in producing a good than another country.
- C** It is when the relative prices of exports of a country are greater than the relative prices of its imports.
- D** It is when a country's output of a good is greater per unit of resource than another country.

16 The table shows the income and wealth of Yasmin.

items	\$
children's welfare benefits	1 000
dividends from shares	1 000
property owned	40 000
savings in bank	1 000
shares	2 000
wages	10 000

What is the value of Yasmin's wealth?

- A** \$41 000
- B** \$43 000
- C** \$44 000
- D** \$45 000