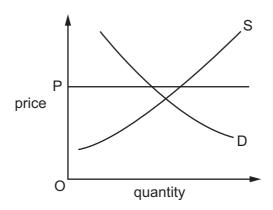
18 The diagram illustrates a market for wheat. The government sets a maximum price of OP.



What could cause the maximum price to have an impact on the market?

- A a fall in the price of rice
- B an advertising campaign for bread
- **C** an increased wheat harvest
- **D** an increase in subsidies to wheat farmers
- **19** Country X exports agricultural commodities to country Y and country Y exports industrial goods to country X.

Given that the pattern of trade between X and Y can be explained by the theory of comparative advantage, what can be concluded from this?

- A Both countries derive an equal benefit from engaging in trade.
- **B** Country X has more fertile agricultural land than country Y.
- **C** Neither country has an absolute advantage in the production of both sets of goods.
- **D** The opportunity cost of producing agricultural commodities is greater in Y than in X.
- **20** What is **not** usually a motive for a country to use protection in international trade?
 - A to increase global economic welfare
 - **B** to prevent the dumping of products by another country
 - **C** to prevent unemployment within the country
 - **D** to shelter an infant industry within the country