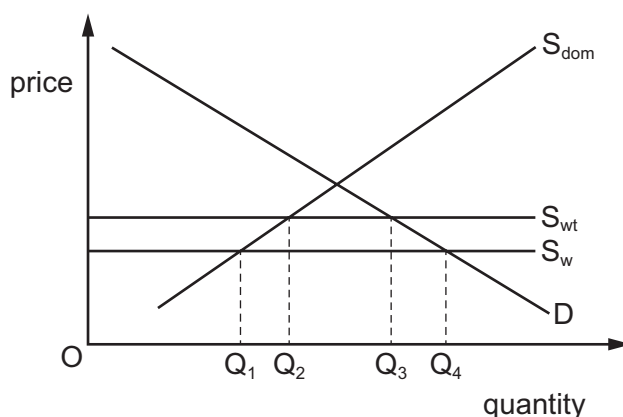


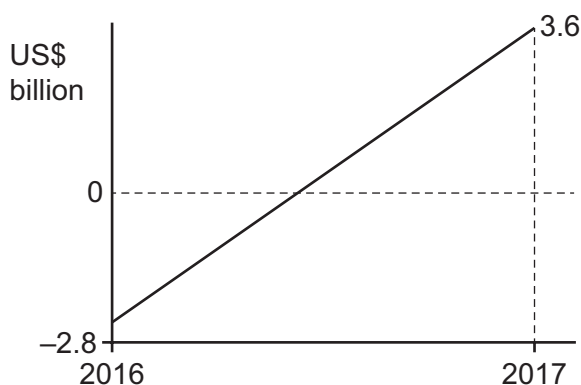
- 26 The diagram shows the effects of the imposition of a tariff on an internationally-traded good. S_{dom} is the supply and D the demand in country R. S_w is the world supply curve of the product and S_{wt} is the world supply curve after the imposition of a tariff by country R.



Which combination describes the effect on domestic supply of and demand for the good in country R after the imposition of the tariff?

	demand	domestic supply
A	falls	falls
B	falls	rises
C	rises	falls
D	rises	rises

- 27 The graph shows the change in the current account of Belgium's balance of payments from 2016 to 2017.



What will be the **most** likely impact of the change shown by the graph on Belgium's domestic economy?

- A** a fall in the rate of economic growth
- B** a fall in the foreign currency reserves
- C** a fall in the number of unemployed
- D** a fall in the rate of inflation