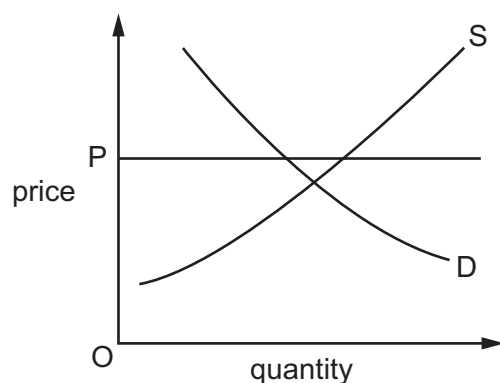


- 18 The diagram illustrates a market for wheat. The government sets a maximum price of OP.



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