

- 24 Turkey can produce a good but also imports some of the good from Egypt. The Turkish currency depreciates against the Egyptian currency.

How is this most likely to affect production of this good in Egypt and in Turkey?

	production in Egypt	production in Turkey
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase

- 25 The table shows the terms of trade for Saudi Arabia.

date	terms of trade
2000	100
2010	105
2015	137

What can be concluded from the table for Saudi Arabia?

- A** Export prices rose relative to import prices.
 - B** The balance of trade surplus increased.
 - C** The volume of exports exceeded the volume of imports.
 - D** The volume of exports rose faster than the volume of imports.
- 26 What is present in a customs union but **not** in a free trade area?
- A** a common external tariff with the rest of the world
 - B** a common monetary system
 - C** a common system of taxation
 - D** the free movement of all goods, services and factors of production
- 27 Which argument in favour of protectionism is **not** generally regarded as economically valid?
- A** It increases the standard of living of the population in general.
 - B** It prevents heavily-subsidised imports from competing unfairly against domestic goods.
 - C** It provides time for the protected industry's workers to be retrained for other work.
 - D** Once the protected industry becomes established, it will produce efficiently.