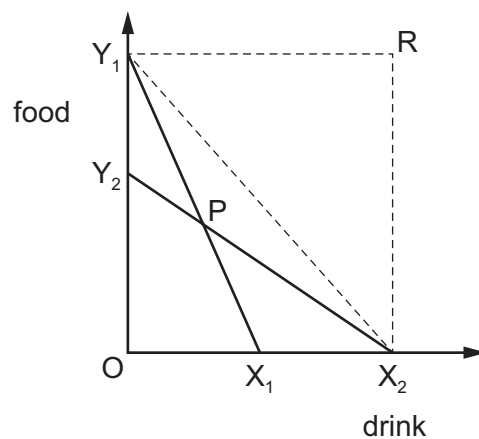


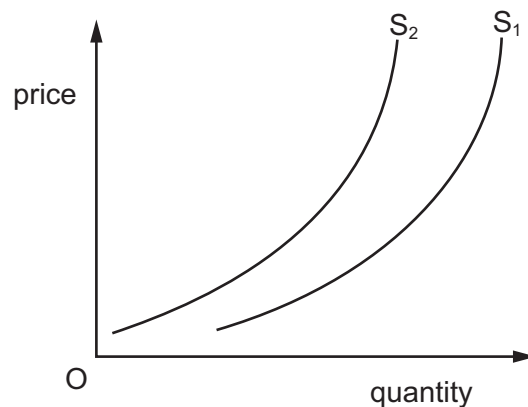
- 4 The diagram shows the production possibility curves of two economies, Northland (Y_1-X_1) and Southland (Y_2-X_2).



Both economies specialise based on the theory of comparative advantage and trade with one another.

What can be concluded from the diagram?

- A** Both economies face increasing opportunity costs.
 - B** Point P represents the final equilibrium outcome.
 - C** Point R shows the total possible combined production of food and drink.
 - D** All points on Y_1-X_2 are only attainable through trade.
- 5 The supply curve for fresh fish shifts from S_1 to S_2 as shown.



What is a possible reason for this change in the supply of fresh fish?

- A** Demand for fresh fish increases due to promotion of the health benefits.
- B** Favourable weather increases the quantity of fish being caught.
- C** Price of fresh fish falls due to a new substitute product becoming popular.
- D** Regulations limit the number of fish being caught to prevent over-fishing.