

- 18** An international oil company announced in 2002 that it would **not** continue to explore for oil off the coast of Namibia. This was because there was only enough oil to support a local power station for Namibia and not enough to allow exports of oil.

What might be a possible advantage and disadvantage to Namibia of this decision?

	advantage	disadvantage
A	a saving in costly research paid for by the oil company	a loss of employment opportunities
B	a reduction in taxes paid by the oil company to the Namibian government	the conservation of a natural resource
C	a reduction in potential external costs of pollution	the loss of cheaper oil
D	the exploitation of a natural resource	the loss of potential exports

- 19** Which method of protection raises revenue for the government?

- A** domestic subsidies
- B** embargo
- C** quota
- D** tariff

- 20** In which of the following situations will a country's terms of trade worsen?

- A** The prices of its imports rise by more than the prices of its exports.
- B** The total value of external payments rises by more than the total value of external receipts.
- C** The value of its imports rises by more than the value of its exports.
- D** The volume of its imports rises by more than the volume of its exports.

- 21** The World Cup in 2002 caused a rise in demand by Japanese fans for football shirts made in Brazil, and increased travel to Japan by Brazilian fans using Japanese airlines.

What would be the effect on Brazil's balance of payments?

	exports of goods	imports of services
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase