

21 The diagram shows that the imposition of a tariff raises price from \$10 to \$14.



What is the value of tax revenue raised?

- A** \$80 million
- B** \$160 million
- C** \$320 million
- D** \$400 million

22 A firm borrows money from a bank based abroad in order to pay a lower rate of interest than that available from banks in its own country.

Which two parts of the balance of payments accounts will be affected by this transaction?

- A** capital account and currency reserves
- B** capital account and trade in services
- C** financial account and net income flows
- D** financial account and net current transfers