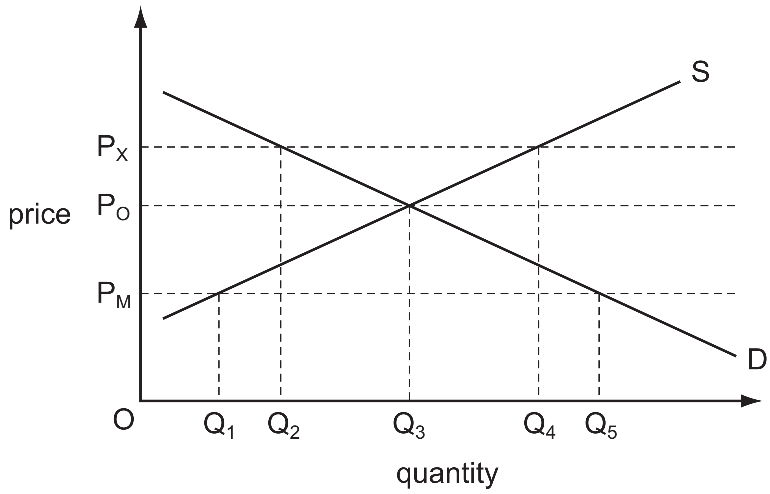
18 The diagram shows the market for spectacles. Initially the market equilibrium price is P_O and quantity Q_3 is bought and sold.



The government then sets both a maximum price of P_X and a minimum price of P_M.

What effect will these measures have on the market for spectacles?

A create a shortage of spectacles equal to Q_1Q_5

B create a surplus of spectacles equal to Q_2Q_4

C create a surplus of spectacles equal to Q_3Q_4

D leave the quantity bought and sold unchanged

19 A country has a comparative advantage in producing spices.

Why may it choose **not** to specialise in spices?

A The country experiences a lower opportunity cost in producing spices than other countries.

B There are high tariffs imposed by other countries on the import of spices.

C There is a low cost of transporting spices to other countries.

D There is high world income elasticity of demand for spices.