

- 20** Japan introduces import quotas on consumer durables imported from Malaysia. These goods have a high price elasticity of demand.

What effect is this likely to have on the prices paid for these goods by Japanese consumers and on the revenues received by Malaysian producers?

	change in prices paid by Japanese consumers	change in revenues received by Malaysian producers
A	decrease	uncertain
B	decrease	increase
C	increase	decrease
D	increase	uncertain

- 21** Which statement about economic integration is correct?

- A** A customs union has a common currency.
- B** A customs union has a common external tariff.
- C** A free trade area has internal trade barriers.
- D** A free trade area has no external trade barriers.

- 22** Since 2000 a country's export prices have increased on average by 50 % and its import prices by 25 %.

What is the current figure for the country's terms of trade (2000 = 100)?

- A** 75 **B** 83 **C** 120 **D** 125

- 23** What will cause an immediate rise in the size of a country's labour force?

- A** an increase in the birth rate
- B** an increase in the age of retirement
- C** an increase in the school-leaving age
- D** an increase in the number of redundancies