

- 25** The index for a country's terms of trade changed from 100 in year 2015, to 104 in year 2016.

What could have caused this change?

- A** a fall in export prices with import prices unchanged
 - B** a fall in revenue from the export of services
 - C** an appreciation of the country's currency
 - D** a rise in the value of imports
- 26** The table shows the production possibilities of cloth and food in four countries using all of their resources.

country	cloth (million units)		food (million units)
V	40	or	8
X	28	or	4
Y	8	or	2
Z	5	or	5

If the world exchange rate is 1 unit of food for 6 units of cloth, with whom is V likely to trade?

- A** X and Y **B** X only **C** Y and Z **D** Z only