

- 19 The table shows the annual production per worker per year in three countries. There are no trade barriers, no transport costs and the countries specialise on the basis of opportunity cost.

product (tonnes)	Southland	Westland	Eastland
yams	100	80	12
wheat	80	70	16
rice	60	60	8

Which country will export which product?

	Southland	Westland	Eastland
A	rice	yams	wheat
B	wheat	rice	yams
C	yams	rice	wheat
D	yams	wheat	rice

- 20 What may limit the benefits a country derives from engaging in international trade?

- A** The country is specialised in agricultural production.
- B** The country's labour force is highly immobile.
- C** There are no product areas where the country enjoys an absolute advantage.
- D** Wage rates are lower in the country's principal competitors.

- 21 The supply of an imported good is shown by curve S.

What will be the new supply curve if an ad valorem (percentage) tariff is imposed on the good?

