

- 22 The table shows the relative price of exports compared with imports expressed as an index number for an economy (2013 = 100).

| date | index |
|------|-------|
| 2013 | 100 |
| 2014 | 97 |
| 2015 | 95 |

Which statement about the period 2013–2015 is correct?

- A Export prices have increased each year.
 - B The general level of prices has fallen.
 - C The terms of trade have deteriorated.
 - D The volume of imports increasingly exceeds the volume of exports.
- 23 Country X and country Y each allocate half of their resources towards the manufacturing of shoes, and the other half towards the manufacturing of t-shirts. Resources can be used equally effectively in the production of both products in both countries.

The table shows the output of shoes and t-shirts produced by both countries using half their resources in each case, before specialisation.

| country | shoes | t-shirts |
|---------|-------|----------|
| X | 4 000 | 12 000 |
| Y | 2 000 | 8 000 |
| total | 6 000 | 20 000 |

What can be concluded from the data?

- A The opportunity cost of country Y producing two shoes is four t-shirts.
 - B The opportunity cost of country X producing one t-shirt is four shoes.
 - C The total output of shoes and t-shirts after specialisation would be 24 000.
 - D The total output of shoes and t-shirts after specialisation would be 28 000.
- 24 Which government action is **least** likely to prevent a fall in economic growth?
- A additional controls on commercial banks' lending
 - B relaxation of rules for immigration of adult population
 - C removal of trade barriers on import of raw materials
 - D training and education of workforce