

- 21** The table shows the amount of good X or the amount of good Y that can be produced by country R and country T if each uses all of their resources.

	output of good X	output of good Y
country R	80	100
country T	20	80

What can be concluded from the table?

- A** Country R has an absolute advantage in producing good Y and a comparative advantage in producing good X.
 - B** Country R has an absolute advantage in producing good X and a comparative advantage in producing good Y.
 - C** Country T has an absolute advantage in producing good X and a comparative advantage in producing good Y.
 - D** Country T has an absolute advantage in producing good Y and a comparative advantage in producing good X.
- 22** What is **most** likely to lead to a persistent surplus in a country's current account of its balance of payments?
- A** a low domestic savings rate
 - B** an undervalued exchange rate
 - C** highly protectionist policies by other countries
 - D** low investment income from abroad