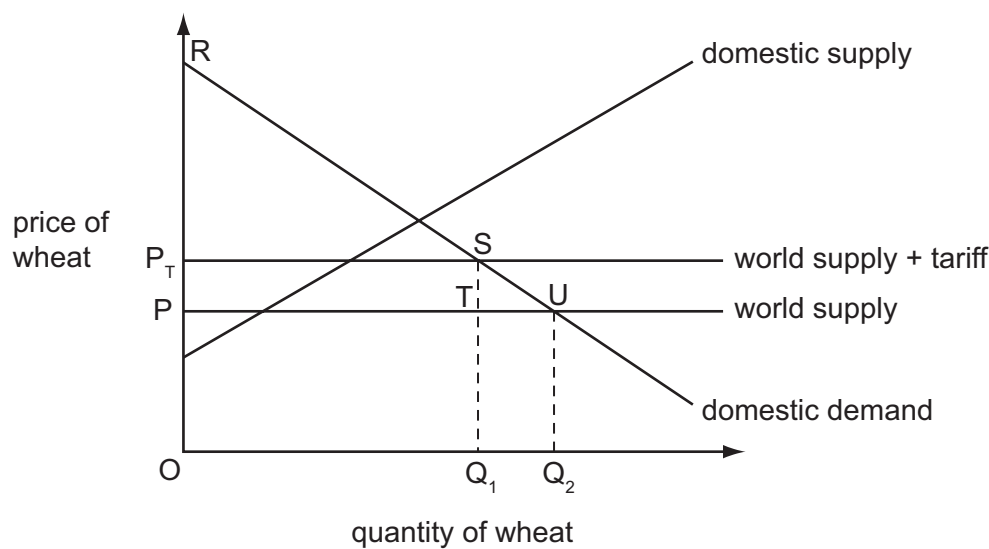


20 The diagram shows the effects of introducing an import tariff on wheat in a country.



Which area represents the loss of consumer surplus from the tariff?

- A P_TSR
- B P_TSUP
- C STU
- D SUQ_2Q_1

21 What is a feature of a customs union?

- A the fixing of quotas for its members
- B the introduction of a common currency
- C the joint setting of prices
- D the removal of tariff barriers between its members

22 The table shows the balances for four items in a country’s current account on the balance of payments for two years.

	goods US\$ m	services US\$ m	income US\$ m	current transfers US\$ m
year 1	−72	84	12	−24
year 2	−87	46	−3	−4

What can be concluded about the changes between year 1 and year 2?

- A The current account balance has moved into deficit.
- B The difference between the value of exported and imported services has increased.
- C The earnings from ownership of foreign assets have increased.
- D The value of exported goods has fallen.