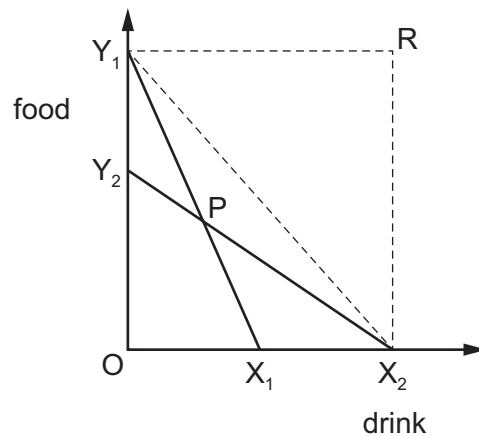


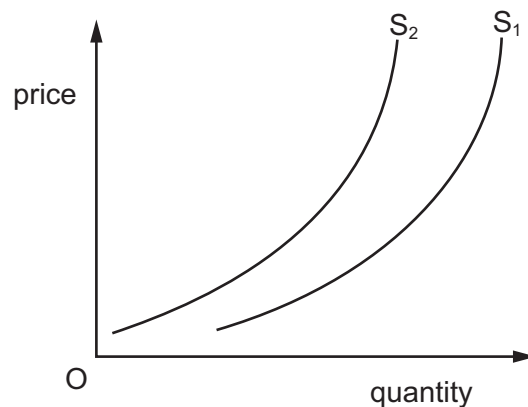
- 4 The diagram shows the production possibility curves of two economies, Northland ( $Y_1-X_1$ ) and Southland ( $Y_2-X_2$ ).



Both economies specialise based on the theory of comparative advantage and trade with one another.

What can be concluded from the diagram?

- A** Both economies face increasing opportunity costs.
  - B** Point P represents the final equilibrium outcome.
  - C** Point R shows the total possible combined production of food and drink.
  - D** All points on  $Y_1-X_2$  are only attainable through trade.
- 5 The supply curve for fresh fish shifts from  $S_1$  to  $S_2$  as shown.



What is a possible reason for this change in the supply of fresh fish?

- A** Demand for fresh fish increases due to promotion of the health benefits.
- B** Favourable weather increases the quantity of fish being caught.
- C** Price of fresh fish falls due to a new substitute product becoming popular.
- D** Regulations limit the number of fish being caught to prevent over-fishing.