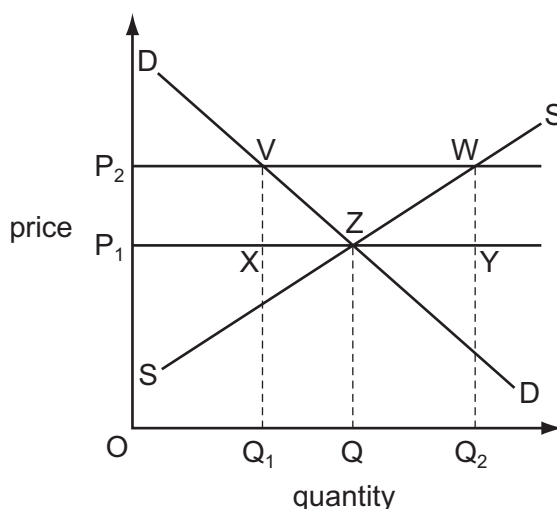


- 18 The diagram shows the market for apples. A government maintains a minimum price P_2 by buying apples.



Which area shows the amount of money the government has to spend to maintain the price P_2 ?

- A** P_2WYP_1 **B** P_2VQ_1O **C** P_2WQ_2O **D** VWQ_2Q_1
- 19 Thailand produces rubber at a lower opportunity cost than China. It does, however, import some rubber from China.

What could explain Thailand importing rubber from China?

- A** China imposes lower tariffs on rubber imports than Thailand.
B China is consuming increasing quantities of rubber in industry.
C Thailand has the absolute but not the comparative advantage in rubber production.
D Thailand wants to avoid the risks involved in overspecialising in rubber production.
- 20 Which argument supports trade protection?
- A** It might decrease domestic prices.
B It might help new industries.
C It might increase competition.
D It might increase specialisation.