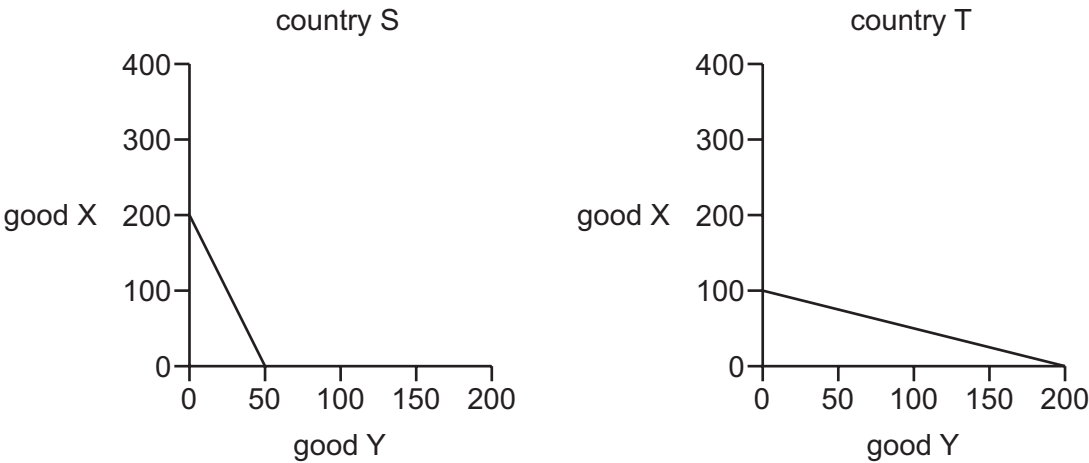


19 The diagram illustrates the production possibility curves for countries S and T producing goods X and Y.



Countries S and T specialise in the product for which they have the lower opportunity cost. They trade with each other at the rate of two good X for one good Y.

What is a possible combination of goods for country S to consume after specialisation and trade have taken place?

	good X	good Y
A	100	50
B	150	75
C	200	100
D	300	150

20 What is the **most** likely reason why Pakistan might reduce its trade barriers on imports?

- A to help Pakistan increase its gain from comparative advantage
- B to help Pakistan invest more abroad
- C to raise its foreign exchange rate
- D to reduce government borrowing and international debt