

21 What is found in an economic union but **not** in a customs union?

- A** a common external tariff on trade with non-member countries
- B** an absence of quotas on trade between member countries
- C** an absence of tariffs on trade between member countries
- D** free movement of labour and capital between member countries

22 The table shows the balance in \$million for four items in a country's current account for two years.

	goods	services	income	transfers
Year 1	−72	84	−3	−24
Year 2	−87	96	12	−44

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

- A** Income has moved from a net inflow to a net outflow.
- B** The difference between the value of exported and imported services has increased.
- C** The value of exported goods has fallen.
- D** Transfers into the country have increased.

23 Company X reduces its workers from 250 to 200 and as a result its output decreases from 5000 to 4800 units per day.

Company Y increases its workers from 800 to 1000 and as a result its output increases from 2000 to 2200 units per day.

What happens to labour productivity of the workers in the two companies?

	company X	company Y
A	falls	rises
B	rises	falls
C	rises	rises
D	falls	falls