

22 Trade relations between two countries have gone through four stages.

At which stage was a customs union established?

- A** The countries removed tariffs on selected goods from each other.
- B** The countries removed tariffs on all goods from each other.
- C** The countries set up a common external tariff towards other countries.
- D** The countries introduced a single currency for use by both countries.

23 The table gives the percentage (%) rates of youth unemployment and total unemployment in France and the UK in 2001 and 2005.

	France		UK	
	youth unemployment (%)	total unemployment (%)	youth unemployment (%)	total unemployment (%)
2001	19.2	8.7	12.0	5.2
2005	22.1	10.1	12.5	4.8

What can be concluded from the table?

- A** France and the UK experienced the same trends in unemployment.
- B** France had a higher number of unemployed people than the UK.
- C** The UK used a different definition of unemployment from France.
- D** The UK was more successful than France in controlling unemployment.

24 The diagram shows the original aggregate demand curve, AD_1 , and the original aggregate supply curve, AS_1 .

What will be the new equilibrium if there is a fall in the country's exports and an increase in government subsidies to firms?

