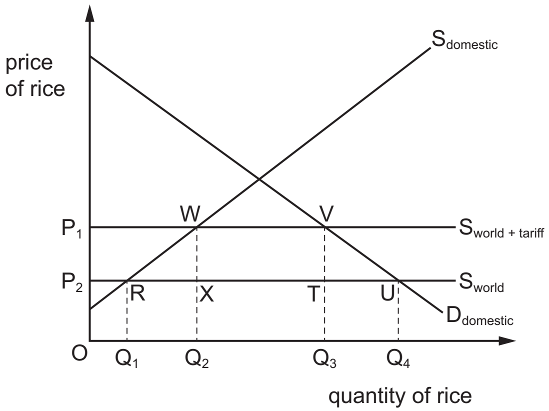
Name: A-Level Economics: **w25 12**

**30** The diagram shows the effect of a government removing the tariff on imports of rice into its country.




How would the removal of this tariff affect the consumer surplus and the government's revenue?

| | consumer surplus | government revenue |
|---|---|---|
| **A** | increases by VUT | decreases by WVTX |
| **B** | increases by VUT | decreases by $WVQ_3Q_2$ |
| **C** | increases by $P_1VUP_2$ | decreases by WVTX |
| **D** | increases by $P_1VUP_2$ | decreases by $WVQ_3Q_2$ |

A-Level Economics: **w25 14**

**3** A government wants to move its economy away from central planning towards a market economy.

Which policy would be consistent with this aim?

**A** introduce tariffs on imported goods

**B** privatise the ownership of electricity generation

**C** provide free education for primary school pupils

**D** reduce prices of foods such as wheat and rice

**23** What is an example of a supply-side policy?

**A** an import quota to restrict the supply of goods

**B** a rise in interest rates to encourage the supply of savings

**C** a specific tax on the supply of goods to raise revenue

**D** a subsidy to businesses to promote the supply of training courses



A-Level Economics: **w25 14**

**26** For which government measure would both the outcomes shown be likely to benefit its economy?

| | government measure | outcome 1 | outcome 2 |
|---|---|---|---|
| **A** | embargoes | protect against import of harmful materials | encourage illegal trade and corruption |
| **B** | export subsidies | give home producers a cost advantage | are a drain on government expenditure |
| **C** | import quotas | restrict volume of expensive imports | reduce balance of payments deficit |
| **D** | tariffs | protect some jobs by raising import prices | cause unemployment due to rising costs of imported raw materials |

A-Level Economics: **w25 21**

**5** **(a)** Explain **two** tools of protection used by a country when trading internationally **and** consider whether one is likely to have more of an impact on the country’s economy than the other. [8]

**(b)** Assess whether all consumers, all producers and the government in a country will benefit equally from protectionism. [12]

A-Level Economics: **s25 11**

**21** What is **not** an example of monetary policy?

**A** a rise in import tariffs on manufactured goods

**B** a rise in interest rates by the central bank

**C** a rise in credit regulations

**D** a rise in the money supply

**27** Which statement correctly describes a tariff?

**A** It is a complete ban on imports.

**B** It is a minimum price for domestic producers.

**C** It is a payment to exporters.

**D** It is a tax imposed on imports.

**26** Which statement is **not** a valid reason why a country may impose protectionist measures?

**A** to allow a newly developed domestic industry to grow to a viable size

**B** to enable a country to retain control of an industry it regards as being of strategic importance

**C** to give consumers a wider choice of goods and services

**D** to give time for workers in a declining domestic industry to find alternative employment

A-Level Economics: **Specimen 1**

**29** A small trading country decides on a policy of import substitution by producing more goods and services itself rather than purchasing them from other countries.

What is the most likely reason for this policy?

**A** to follow the principle of absolute advantage

**B** to influence world prices in international markets

**C** to protect local industries from foreign competition

**D** to substitute imported technology for local labour