

28 What is **not** a likely benefit of free trade?

- A** consumers should experience lower prices
- B** consumers should have a greater choice of goods
- C** firms could be protected from foreign competition
- D** firms could take advantage of economies of scale

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5 Finland is a high-income country that usually has a higher value of exports than imports. It has a strong commercial banking sector which has increased its lending in recent years. The country has an ageing population, with more than a quarter of its population aged over 65. In 2022, Finland's Government had a budget deficit with government spending exceeding tax revenue.

- (a)** Identify a difference between an export and an import. [2]
- (b)** Explain why commercial banks may increase their lending. [4]
- (c)** Analyse how an ageing population may affect a country's economic growth rate. [6]
- (d)** Discuss whether supply-side policy measures will reduce a government's budget deficit. [8]

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27 What might encourage international specialisation between countries?

- A** free trade
- B** inefficiencies in production
- C** labour immobility
- D** tariffs

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27 What is an advantage to a firm of specialisation at a national level?

- A** dependency on supplies from other countries
- B** greater competition from overseas firms
- C** greater depletion of the country's natural resources
- D** lower average costs due to economies of scale