17 A government imposes tariffs on imported goods.

What is **not** a likely reason for this?

A to boost domestic output

B to influence the country's balance of payments

C to protect domestic employment

D to reduce the exports from the country

30 A government wishes to reduce the deficit on the current account of its balance of payments.

Which policy should it adopt?

A increase subsidies on exports

B increase taxes on its exports

C remove an embargo on imports

D remove tariffs on its imports

IGCSE Economics: **w25 22**

5 Some countries engage in dumping by selling their products at less than cost price in Cambodia. The Cambodian Government wants the country to become a high-income economy by 2050. It uses fiscal, monetary and supply-side policies to increase its economic growth rate. Cambodia subsidises some infant industries. The country has one of the world's largest deficits on the current account of its balance of payments (as a percentage of GDP). Some economists suggest cutting taxes would reduce this deficit.

(a) Identify **two** motives for a firm dumping some of its products in a foreign market. [2]

(b) Explain **two** differences between monetary policy and supply-side policy. [4]

(c) Analyse how a government subsidy could help to protect an infant industry against foreign competition. [6]

(d) Discuss whether or not cuts in taxes will reduce a deficit on the current account of a country's balance of payments. [8]

IGCSE Economics: **s25 11**

28 What might an economist consider to be meant by the term *dumping*?

A foreign firms exporting waste products

B foreign firms producing goods at a lower cost than domestic firms

C foreign firms selling goods that are out of fashion

D foreign firms exporting products at a price below the cost of production

28 The UK government increases the price of steel imported from Germany by increasing an existing tariff.

Assuming steel has price-inelastic demand, what would be the effect on the revenues of German steel producers and the UK government?

	German steel producers' revenue	UK government revenue
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase

IGCSE Economics: **w24 11**

28 A multinational company (MNC) opens up a new factory in a host country.

What is a possible cost of this new factory to the host country?

A increased access to modern technology

B increased competition for host-country industries

C increased employment for workers

D increased tax revenue for the government

IGCSE Economics: **w24 12**

28 A government wishes to stop the dumping of a specific imported good at a very low price.

Which method of protection would be most effective?

A apply an embargo to this good

B devalue the currency

C increase interest rates

D provide subsidies to home producers of this good

28 A country wants to limit the number of imported cars to a maximum of 100 000 in a year.

Which measure is most likely to achieve this objective?

A an embargo

B an import quota

C an import tariff

D a subsidy

IGCSE Economics: **w24 21**

4 The World Trade Organization (WTO) estimates that India has the largest levels of trade protection of any major economy. The highest tariffs are imposed on products from the primary sector. For example, in 2018 India imposed a tariff of approximately 90% on imports of coffee to protect its coffee farmers. However, the markets for coffee substitutes and complements do not have such levels of government intervention.

(a) Identify **two** methods of trade protection apart from a tariff. [2]

(b) Explain how the price of coffee substitutes and complements can affect the demand for coffee. [4]

(c) Analyse possible reasons why a government may want to intervene in a market. [6]

(d) Discuss whether or not high tariffs can reduce unemployment. [8]