



Department of Education, Sabaragamuwa/weekly school

week- June 5

Subject-Economics

Grade-13

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1. What are the benefits that countries derive from international trade?
2. State the main economic arguments for trade protectionism.
3. What factors determine a country's international competitiveness?
4. A summary of current account transactions of the balance of payments of a hypothetical economy is given in the table below. (All figures are in Rs. million)

Item	Credit	Debit	Item	Credit	Debit
Merchandise goods	800	1200	Sea transport	180	150
Compensation of employees	5	10	Interest income	-	35
Financial services	25	30	Workers' remittances	285	50
Dividends	10	70	Travel	140	100
Air transport	100	60	Telecommunications	75	30
Government transfers	15	-	Non-monetary gold	5	55

Calculate the following using above data:

- (a) The balance of trade
  - (b) The balance on goods and services
  - (c) The balance on primary income account
  - (d) The balance on secondary income account
5. Under a floating exchange rate system, explain how the following domestic factors can affect the exchange rate:
    - (a) An increase in real GDP
    - (b) A decrease in the inflation rate