Department of Education,Sabaragamuwa/weekly school

week- December 4

Subject-Economics

Prepared by -
Zonal Education Office,Rathnapura.

Grade-13

1. Followings are the amount of outputs that can be produced with one labour unit in each country.

Country	Radios	Computers
China	4	10
Thaiwan	1	5

Hypothise that each country has 100 labour units.

(a) Which country earns the comparative advantage of producing radios and computers.

(b) Illustrate the production possibilities curves in each country.If a full specialization is done based on the comparative advantage ,illustrate the product combinations at each country on the production possibilities curves.

(c) After the specialization based on the comparative advantage if 100 radios and 400 computers are exchanged,illustrate on the same diagram the consumption abilities of each country.

(d) Mention the range of external exchange rate that both countries receive mutual advantages.

2. Distinguish between nominal precautionary rate and the effective precautionary rate.

3. Mention two advantages and two disadvantages each of the fixed foreign exchange rate and the nominal foreign exchange rate.

4. Mention four zonal economic associations that Sri Lanka has joined.