



Department of Education, Sabaragamuwa/weekly school

week- March 4

Subject-Economics

Grade-13

Prepared by -
Zonal Education Office, Rathnapura.

1. Following data are about the quantities of output of product of each country that can be produced with one unit of labour.

	New Zealand	Australia
Packet of milk powder	20	100
Canned fish	40	50

According to above data,

1. Which country has the absolute advantage for each category of goods?
 2. Which category of good should be specialized by each of the countries?
 3. Show the internal/domestic rate of exchange in each country.
 4. What is the range of the terms of trade of goods for a mutually beneficial trade between the two countries?
2. Explain the concepts of effective rate of protection and nominal rate of protection.
 3. Explain the fixed exchange rate and floating exchange rate.