

- 14** The unemployment rate in an economy may continue to rise even after the economy has recovered from a recession.

Which explanation for this trend is **not** correct?

- A** Many foreign businesses have moved out of the country.
- B** The government has abolished the national minimum wage.
- C** An increase in net migration of low-skilled workers.
- D** Workers lose skills, making them less employable.

- 24** What is **not** a likely feature of a customs union?

- A** common external tariffs with non-member nations
- B** elimination of tariffs between member nations
- C** elimination of quotas between member nations
- D** shared common currency among member nations

- 30** Which criticism of foreign direct investment (FDI) is **least** valid?

- A** It encourages competition, reduces prices and forces the less efficient domestic firms to leave the market.
- B** It brings workers from its own country and provides only low paying jobs to low skilled local workers.
- C** It is usually withdrawn quickly in case of a global crisis, making developing countries more vulnerable to global shocks.
- D** Its actions often result in environmental degradation, and over exploitation of natural resources.