**Revision questions**

(45 marks; 45 minutes)

1 Define the term 'protectionism'.

**2**

**a)** What is the difference between VAT and a tariff?

**b)** The American government imposes a 2.5 per cent tariff on Japanese cars. How much would a $60,000 Japanese car cost to buy in the USA after the tariff is imposed?

3 In 201.5, the European Union imposed a monthly quota on Moroccan tomatoes of 46,000 tonnes. Exports from Morocco to the EU had previously been 60,000-80,000 tonnes a month.

a) Explain how this quota has affected Moroccan farmers.

**b)** Explain the benefits of the quota to European tomato growers.

4 According to European Union legislation, cheese can only be sold as Mozzarella in Europe if the cheese is made in Italy from water buffalo milk.

a) Explain how this type of legislation has helped Italian producers of Mozzarella cheese.

b) Apart from Mozzarella cheese producers, who else might benefit from this type of legislation, and why?

5 a) What is a subsidy?

b) Explain how subsidies can affect a business's ability to export.

6 Evaluate whether it is fair for an underdeveloped African country such Sierra Leone to use tariffs to protect its first-ever steelworks.