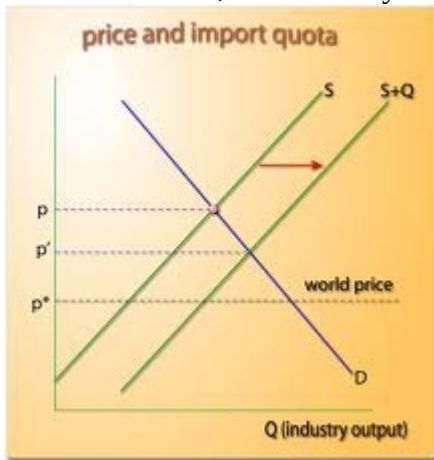


Answer on Question #44826, Economics, Economics of Enterprise

(a) An increase in import quota that is decided in an attempt to improve the political relations with country A will increase supply of this food item and decrease price for it. So, the customers of EU will be better off, because they will get more of this good for lower price.



(b) A decrease in import quota that prohibits completely imports from country A because of a health disease in this country will decrease supply of this food item and increase price for it. So, the customers of EU will be worse off, because they will get less of this good for higher price.