Question Analysis

(a) (i) With reference to Figure 1, compare the fertilizer price and grain price in the **first two months** of Russia's invasion of Ukraine. [2]

(ii) Explain **one** possible reason for the difference in the above trends. [2]

(b) "Agriculture is absolutely going to get hit. Farmers are going to get hurt because they're going to pay a lot more (for fertilizer)." (Extract 1)

Using the case evidence and a demand and supply diagram, explain how the development would impact consumer expenditure on food. [5]

(c) (i) With reference to Extract 2, explain the difference between private cost and social cost. [4]

(ii) Discuss whether DEF mandate is the best policy to achieve allocative efficiency when private and social costs diverge. [8]

(d) Discuss the desirability of the Malaysian government's policies of price ceiling and export ban in stabilising chicken prices. [10]