12 (a) Define the term 'tradeable pollution permit scheme'. (Extract B, line 16)

(2)

(b) With reference to Extract B, explain whether the supply of phosphate rock is likely to be price elastic or price inelastic.

(4)

(c) With reference to Figure 1 and Extract A, analyse **one** demand factor *and* **one** supply factor that caused the price of fertiliser to increase between January 2021 and April 2022.

Illustrate your answer with a supply and demand diagram.

(6)

(d) With reference to Extract C, examine **two** likely effects of the subsidies paid by Canada's Government to farmers who use more organic farming methods.

(8)

(e) With reference to Extract B, discuss the external costs associated with the production and the use of fertiliser.

Illustrate your answer with an appropriate diagram.

(14)