**Comparative Advantage Practice Problems**

|  |  |  |
| --- | --- | --- |
|  | **Water** | **Flags** |
| **US** | 10 | 10 |
| **France** | 8 | 5 |

1. Which country has the **absolute** advantage in the production of water? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. Which country has the **absolute** advantage in the production of flags? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. What is the opportunity cost of water in France? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

4. What is the opportunity cost of water in the U.S.? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

5. What is the opportunity cost of flags in France? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

6. What is the opportunity cost of flags in the U.S.? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

7. Which country has the **comparative** advantage in water production? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

8. Which country has the **comparative** advantage in flag production? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |
| --- | --- | --- |
|  | **Food** | **Clothing** |
| **North Potato** | 20 | 5 |
| **South Potato** | 40 | 5 |

1. Who has the **absolute** advantage in the production of food? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. Who has the **absolute** advantage in the production of clothing? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. What is North Potato’s opportunity cost of food? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

4. What is South Potato’s opportunity cost of food? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

5. What is North Potato’s opportunity cost of clothing? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

6. What is South Potato’s opportunity cost of clothing? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

7. Which country has the **comparative** advantage in clothing? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

8. Which country has the **comparative** advantage in food? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |
| --- | --- | --- |
|  | **Jay** | **Leah** |
| **Cars Washed** | 20 | 15 |
| **Lawns Mowed** | 5 | 3 |

1. Who has the **absolute** advantage in the production of cars washed? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. Who has the **absolute** advantage in the production of lawns mowed? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. What is Jay’s opportunity cost of washing cars? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

4. What is Leah’s opportunity cost of washing cars? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

5. What is Jay’s opportunity cost of mowing lawns? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

6. What is Leah’s opportunity cost of mowing lawns? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

7. Who has the **comparative** advantage in mowing lawns? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

8. Who has the **comparative** advantage in washing cars? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |
| --- | --- | --- |
|  | **Cars** | **Tractors** |
| **Atlantis** | 30 | 10 |
| **Xanadu** | 20 | 40 |

1. Which country has the absolute advantage in the production of cars? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. Which country has the absolute advantage in the production of tractors? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. What is the opportunity cost of cars in Xanadu? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

4. What is the opportunity cost of cars in the Atlantis? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

5. What is the opportunity cost of tractors in Xanadu? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

6. What is the opportunity cost of tractors in the Atlantis? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

7. Which country has the comparative advantage in cars production? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

8. Which country has the comparative advantage in tractor production? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |
| --- | --- | --- |
|  | **Soybeans** | **Avocados** |
| **Mexico** | 16 | 8 |
| **US** | 8 | 6 |

1. Which country has the absolute advantage in the production of soybeans? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. Which country has the absolute advantage in the production of avocados? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. What is the opportunity cost of soybeans in US? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

4. What is the opportunity cost of soybeans in the Mexico? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

5. What is the opportunity cost of avocados in US? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

6. What is the opportunity cost of avocados in the Mexico? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

7. Which country has the comparative advantage in soybeans production? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

8. Which country has the comparative advantage in avocado production? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_