## Part B: Questions

1. What is the difference between comparative advantage and absolute advantage?

2. You're given the following information about a newlywed couple and the time it takes each of them to do two different chores: vacuuming a room or washing a load of dishes.

LESSON 1 ACTIVITY 2 [continued]

	Mike	Debbie
Vacuum a room	60 minutes	45 minutes
Wash a load of dishes	30 minutes	45 minutes

(A) What is Mike's opportunity cost of vacuuming in terms of washing dishes?

(B) What is Mike's opportunity cost of washing dishes in terms of vacuuming?

(C) What is Debbie's opportunity cost of vacuuming in terms of washing dishes?

(D) What is Debbie's opportunity cost of washing dishes in terms of vacuuming?

- (E) Who has the absolute advantage in vacuuming?
- (F) Who has the *absolute* advantage in washing dishes?

(G) Who has the *comparative* advantage in vacuuming?

(H) Who has the *comparative* advantage in washing dishes?

(I) Who should do which chore and why? Base your answer only on the information above and on comparative advantage considerations.

3. Now, you're given the following information about Andy and Hannah and the time it takes each of them to clean an office and clean a jail cell:

LESSON 1 ACTIVITY 2 (continued)

	Andy	Hannah
Cleaning offices	60 minutes	20 minutes
Cleaning jail cells	30 minutes	15 minutes

(A) What is Andy's opportunity cost of cleaning offices in terms of cleaning jail cells?

(B) What is Hannah's opportunity cost of cleaning offices in terms of cleaning jail cells?

(C) What is Andy's opportunity cost of cleaning jail cells in terms of cleaning offices?

(D) What is Hannah's opportunity cost of cleaning jail cells in terms of cleaning offices?

(E) Who has the *absolute* advantage in cleaning offices? \_\_\_\_\_

(F) Who has the *absolute* advantage in cleaning jail cells?

(G) Who has the *comparative* advantage in cleaning offices?

(H) Who has the comparative advantage in cleaning jail cells?

- (I) Who should do which chore and why? Base your answer only on the information above and on comparative advantage considerations.
- 4. Consider the following two countries. Assume they produce only these two goods. *Note that productivity is now measured in how many goods can be produced per hour*, the opposite of how we measured it in Questions 2 and 3.

	United States	Japan
Cars	12	10
Computers	4	6

(A) What is the United States' opportunity cost of making cars?

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