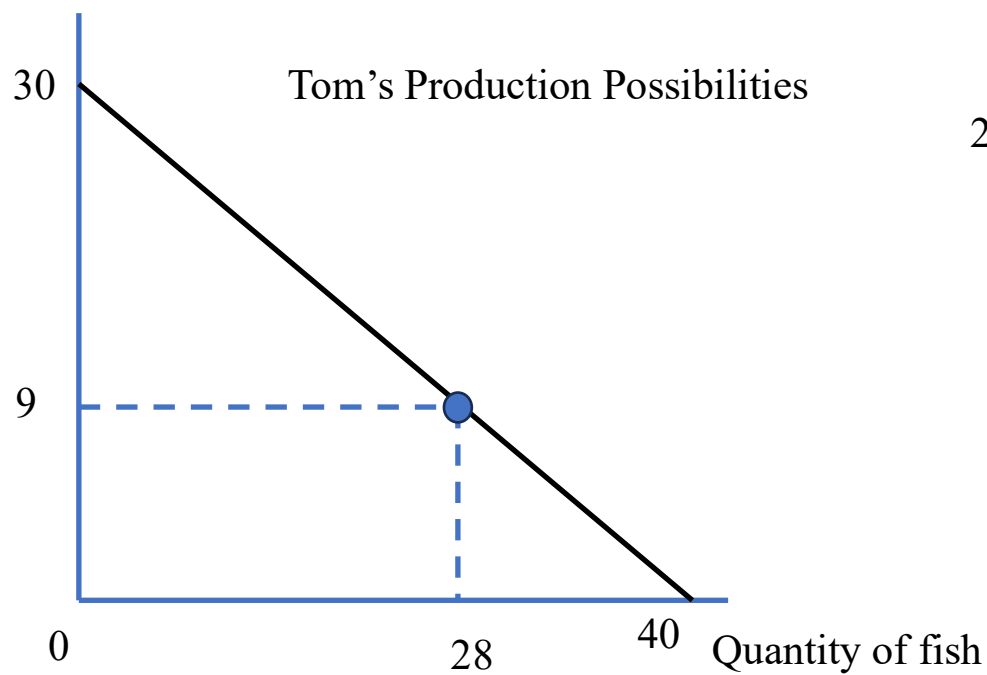


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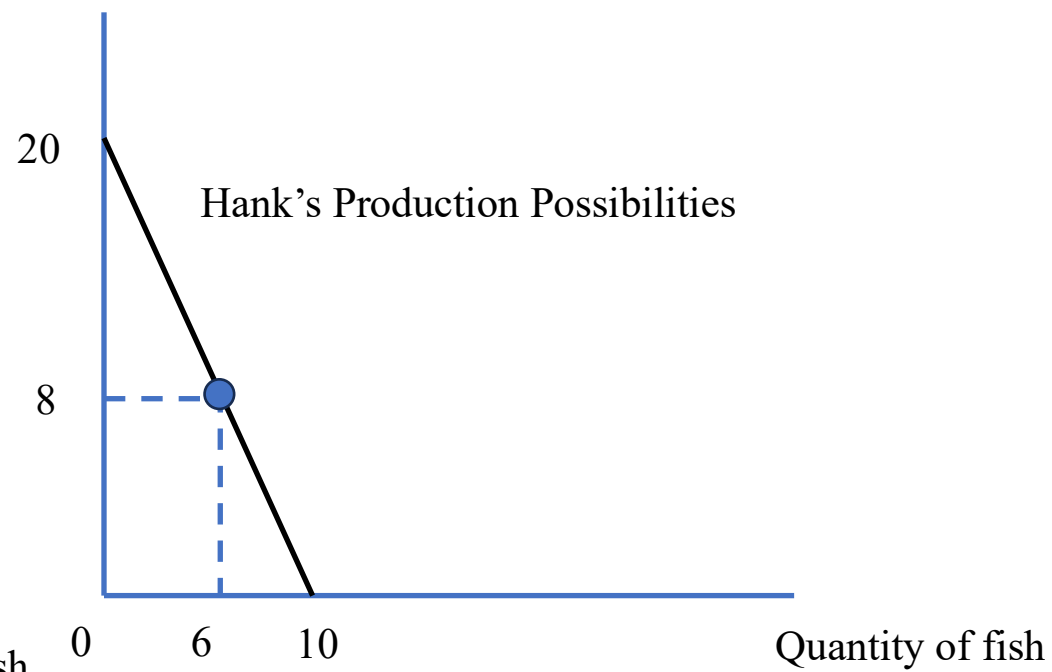
Name \_\_\_\_\_ Last 4 digits ID \_\_\_\_\_

### Production Possibilities for Two Castaways

Quantity of coconuts



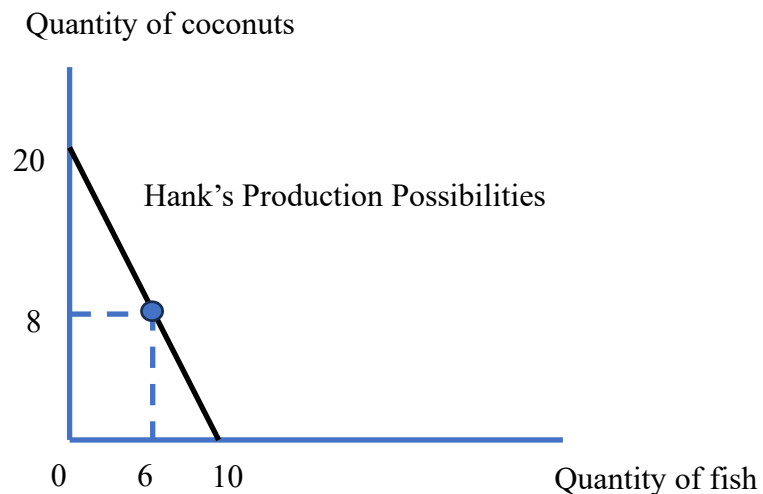
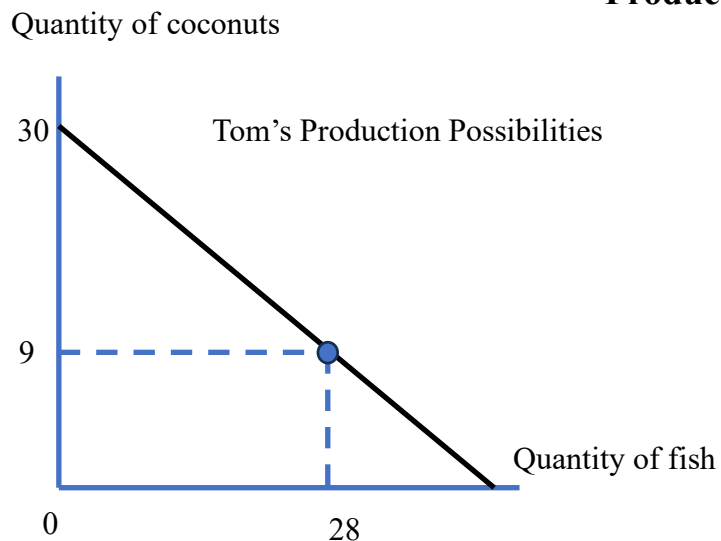
Quantity of coconuts



\_\_\_\_\_ has absolute advantage on producing fish and coconut.

**Absolute advantage – the ability to produce a good using fewer inputs than another producer**

**Production Possibilities for Two Castaways**



**Tom and Hank's Opportunity Costs**

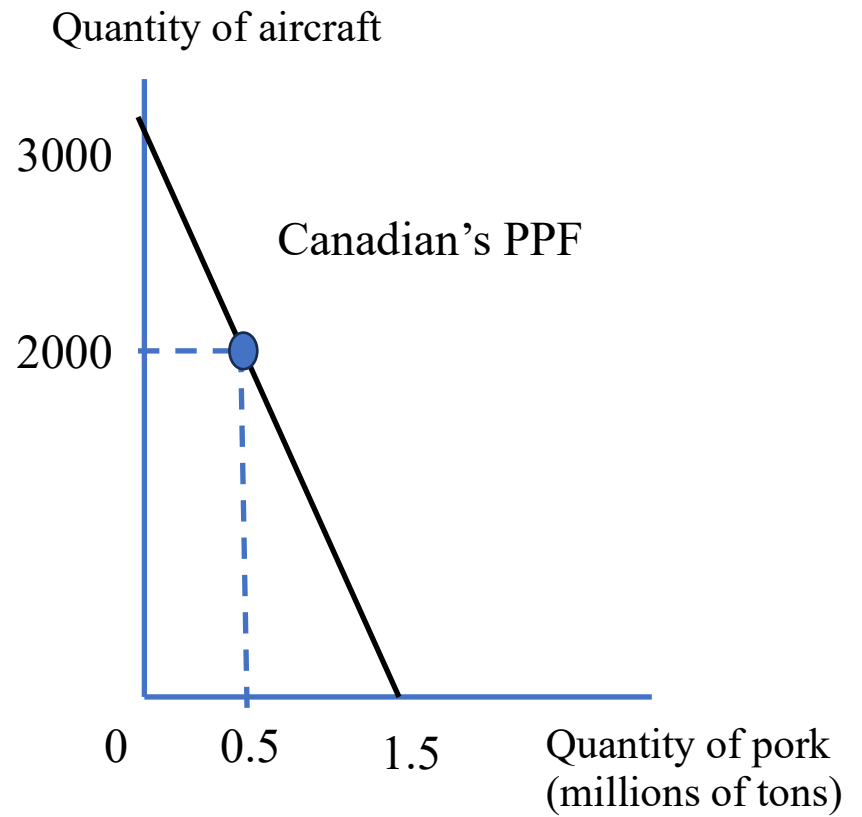
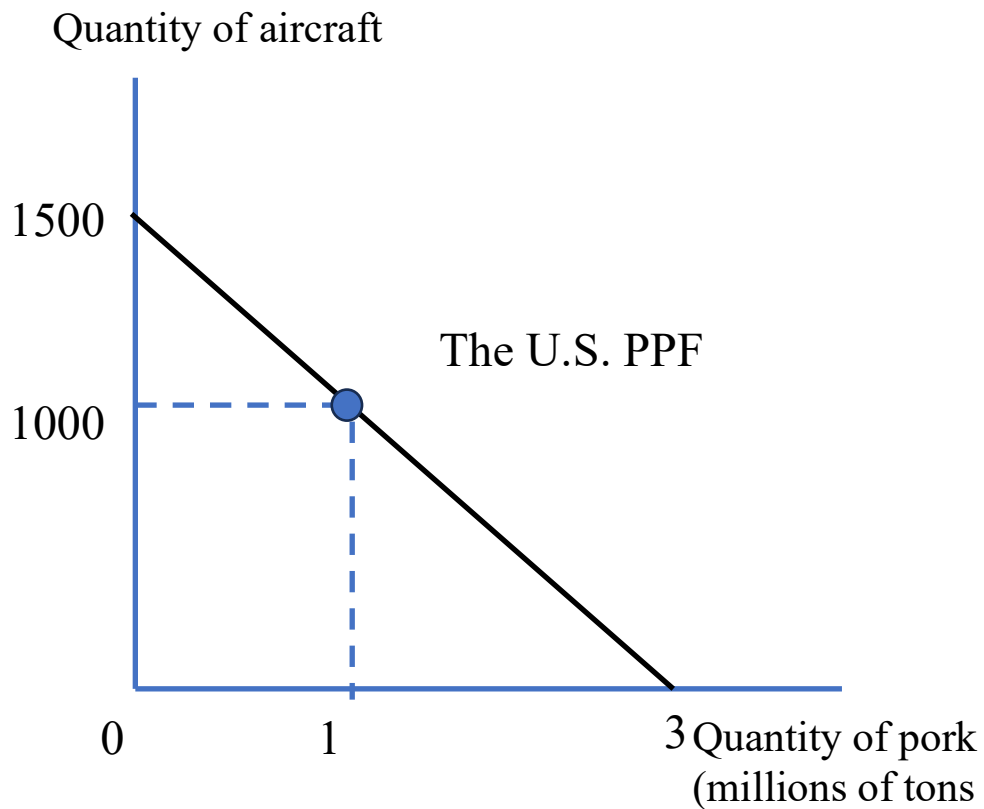
	<b>Tom's Opportunity Costs</b>	<b>Hank's Opportunity Costs</b>
<b>One fish</b>		
<b>One coconut</b>		

\_\_\_\_\_ has comparative advantage on producing fish.

\_\_\_\_\_ has comparative advantage on producing coconut.

Comparative advantage – the ability to produce a good at a lower opportunity cost than another producer.

### Comparative Advantage and International Trade



### The U.S. and Canadian's Opportunity Costs

	The U.S.'s Opportunity Costs	Canadian's Opportunity Costs
<b>One million ton of pork</b>		
<b>One aircraft</b>		

\_\_\_\_\_ has comparative advantage on producing pork.

\_\_\_\_\_ has comparative advantage on producing aircraft.