

key

# Comparative Advantage

Name \_\_\_\_\_

## Worksheet

Date \_\_\_\_\_

Period \_\_\_\_\_

In each example below indicate who has the absolute advantage and comparative advantage for each item. Show work for Comparative Advantage.

$$\frac{2}{6} = \frac{1}{3}$$

Radios Installed

Speakers Installed

$$\frac{6}{2} = 3$$

|        |    |   |
|--------|----|---|
| Mark   | 6  | 2 |
| Doreen | 10 | 5 |

$$\frac{5}{10} = \frac{1}{2}$$

$$\frac{10}{5} = 2$$

**Absolute Advantage**—Radios Doreen, Speakers Doreen.

**Comparative Advantage**-- Radios Mark, Speakers Doreen.

$$\frac{4}{12} = \frac{1}{3}$$

Cars

Computers

$$\frac{12}{4} = 3$$

|               |    |   |
|---------------|----|---|
| United States | 12 | 4 |
| Japan         | 10 | 6 |

$$\frac{6}{10} = \frac{3}{5}$$

$$\frac{10}{6} = \frac{5}{3} = 1\frac{2}{3}$$

**Absolute Advantage**—Cars U.S., Computers Japan.

**Comparative Advantage**—Cars U.S., Computers Japan.

$$\frac{6}{4} = 1\frac{1}{2}$$

Potatoes

Cabbage

$$\frac{4}{6} = \frac{2}{3}$$

|       |    |    |
|-------|----|----|
| Anna  | 4  | 6  |
| Barry | 24 | 12 |

$$\frac{12}{24} = \frac{1}{2}$$

$$\frac{24}{12} = 2$$

**Absolute Advantage**—Potatoes Barry, Cabbage Barry.

**Comparative Advantage**—Potatoes Barry, Cabbage Anna.