

Comparative Advantage Continued...

Part A: You are 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.

$\frac{30}{60} = \frac{1}{2}$
 $\frac{15}{24} = \frac{3}{4}$

	Andy	Hannah
Cleaning Offices	60 Minutes	20 Minutes
Cleaning Jail Cells	30 Minutes	15 Minutes

- $\frac{60}{30} = 2$
 $\frac{20}{15} = \frac{4}{3} = 1\frac{1}{3}$
- Who has the **absolute advantage** in cleaning offices? Hannah
 - Who has the **absolute advantage** in cleaning jail cells? Hannah
 - Who has the **comparative advantage** in cleaning offices? Andy
 - Who has the **comparative advantage** in cleaning jail cells? Hannah

Part B: Consider the following two countries. Assume they produce only these two goods. The information is based on how many of each they can produce in **one hour**.

$\frac{4}{10} = \frac{2}{5}$
 $\frac{6}{12} = \frac{1}{2}$

	United States	Japan
Cars	10	12
Computers	4	6

- $\frac{10}{4} = \frac{5}{2} = 2\frac{1}{2}$
 $\frac{12}{6} = 2$
- Which country has the **absolute advantage** in cars? Japan
 - Which country has the **absolute advantage** in computers? Japan
 - Which country has the **comparative advantage** in cars? U.S.
 - Which country has the **comparative advantage** in computers? Japan

Part C: 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.

$\frac{30}{60} = \frac{1}{2}$
 $\frac{45}{45} = 1$

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

- $\frac{60}{30} = 2$
 $\frac{45}{45} = 1$
- Which country has the **absolute advantage** in vacuuming? Debbie
 - Which country has the **absolute advantage** in washing dishes? Mike
 - Which country has the **comparative advantage** in vacuuming? Mike
 - Which country has the **comparative advantage** in washing dishes? Debbie