Homework (chapter 3)

Due Jan 27 at 11:59pm **Points** 20 **Questions** 20
Available until Jan 27 at 11:59pm **Time Limit** None **Allowed Attempts** 2

Instructions

This required homework assignment covers material from chapter 3.

Homework answers may be saved and returned to, as long as it is within the deadline. To do so, remember to save your responses before leaving the Canvas website, and do not click on the “Submit” button (or Canvas will automatically grade your assignment and you will have no way of changing your answers). If you start the quiz before the deadline but do not finish by the deadline, Canvas will submit the homework for you at the deadline.

Attempt History

	Attempt	Time	Score
KEPT	Attempt 2	3 minutes	20 out of 20
LATEST	Attempt 2	3 minutes	20 out of 20
	Attempt 1	11 minutes	19 out of 20

ⓘ Correct answers will be available on Jan 28 at 12am.

Score for this attempt: **20** out of 20
Submitted Jan 21 at 2:10pm
This attempt took 3 minutes.

Question 1 — 1 / 1 pts

Absolute advantage is found by comparing different producers’

- ○ opportunity costs.
- ○ payments to land, labor, and capital.
- ◉ input requirements per unit of output.

locational and logistical circumstances.

Question 2

1 / 1 pts

Suppose Jim and Tom can both produce two goods: baseball bats and hockey sticks. Which of the following is *not* possible?

Jim has an absolute advantage in the production of baseball bats and in the production of hockey sticks.

Jim has an absolute advantage in the production of baseball bats and a comparative advantage in the production of hockey sticks.

Jim has an absolute advantage in the production of hockey sticks and a comparative advantage in the production of baseball bats.

Jim has a comparative advantage in the production of baseball bats and in the production of hockey sticks.

Question 3

1 / 1 pts

Canada and the U.S. both produce wheat and computer software. Canada is said to have the comparative advantage in producing wheat if

Canada requires fewer resources than the U.S. to produce a bushel of wheat.

- (•) the opportunity cost of producing a bushel of wheat is lower for Canada than it is for the U.S.
- ( ) the opportunity cost of producing a bushel of wheat is lower for the U.S. than it is for Canada.
- ( ) the U.S. has an absolute advantage over Canada in producing computer software.

Question 4

1 / 1 pts

The gains from trade are

- ( ) evident in economic models, but seldom observed in the real world.
- ( ) evident in the real world, but impossible to capture in economic models.
- (•) a result of more efficient resource allocation than would be observed in the absence of trade.
- ( ) based on the principle of absolute advantage.

Question 5

1 / 1 pts

Table 3-21

Assume that Jamaica and Norway can switch between producing coolers and producing radios at a constant rate. The following table shows the number of coolers or number of

radios each country can produce in one day.

	Output Produced in One Day	
	Coolers	Radios
Jamaica	12	6
Norway	24	3

Refer to Table 3-21. Jamaica has an absolute advantage in the production of

- coolers and Norway has an absolute advantage in the production of radios.
- radios and Norway has an absolute advantage in the production of coolers.
- both goods and Norway has an absolute advantage in the production of neither good.
- neither good and Norway has an absolute advantage in the production of both goods.

Question 6

1 / 1 pts

Table 3-21

Assume that Jamaica and Norway can switch between producing coolers and producing radios at a constant rate. The following table shows the number of coolers or number of radios each country can produce in one day.

	Output Produced in

	One Day	
	Coolers	Radios
Jamaica	12	6
Norway	24	3

Refer to Table 3-21. Jamaica has a comparative advantage in the production of

- coolers and Norway has a comparative advantage in the production of radios.
- radios and Norway has a comparative advantage in the production of coolers.
- both goods and Norway has a comparative advantage in the production of neither good.
- neither good and Norway has a comparative advantage in the production of both goods.

Question 7

1 / 1 pts

Table 3-21

Assume that Jamaica and Norway can switch between producing coolers and producing radios at a constant rate. The following table shows the number of coolers or number of radios each country can produce in one day.

	Output Produced in One Day	
	Coolers	Radios

Jamaica	12	6
Norway	24	3

Refer to Table 3-21. Jamaica should specialize in the production of

- coolers and Norway should specialize in the production of radios.
- radios and Norway should specialize in the production of coolers.
- both goods and Norway should specialize in the production of neither good.
- neither good and Norway should specialize in the production of both goods.

Question 8

1 / 1 pts

Table 3-21

Assume that Jamaica and Norway can switch between producing coolers and producing radios at a constant rate. The following table shows the number of coolers or number of radios each country can produce in one day.

	Output Produced in One Day	
	Coolers	Radios
Jamaica	12	6
Norway	24	3

Refer to Table 3-21. At which of the following prices would both Jamaica and Norway gain from trade with each other?

- 1 radio for 1 cooler
- 1 radio for 4 coolers
- 1 radio for 10 coolers
- Jamaica and Norway would both gain from trade at all of the above prices.

Question 9

1 / 1 pts

Table 3-30

Assume that Falda and Varick can switch between producing wheat and producing cloth at a constant rate.

	Quantity Produced in 1 Hour	
	Bushels of Wheat	Yards of Cloth
Falda	8	12
Varick	6	15

Refer to Table 3-30. Falda has a comparative advantage in the production of

- wheat.
- cloth.
- both goods.
- neither good.

Question 10

1 / 1 pts

Table 3-30

Assume that Falda and Varick can switch between producing wheat and producing cloth at a constant rate.

	Quantity Produced in 1 Hour	
	Bushels of Wheat	Yards of Cloth
Falda	8	12
Varick	6	15

Refer to Table 3-30. Varick has a comparative advantage in the production of

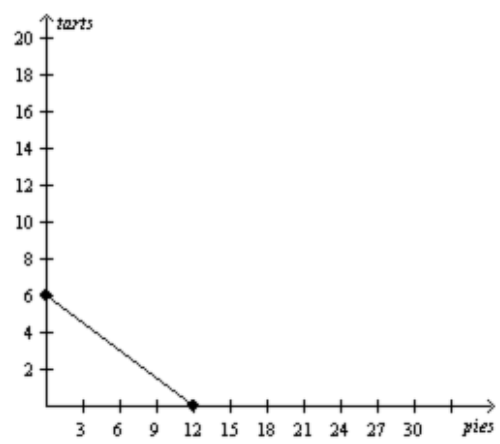
- wheat.
- cloth.
- both goods.
- neither good.

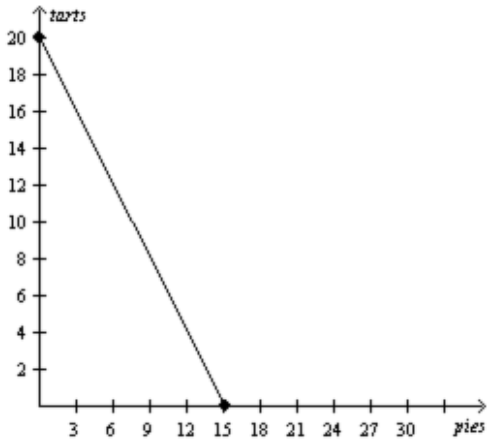
Question 11

1 / 1 pts

Figure 3-17

Maxine's Production Possibilities Frontier **Daisy's Production Possibilities Frontier**





Refer to Figure 3-17. Suppose Maxine decides to increase her production of tarts by 5. What is the opportunity cost of this decision?

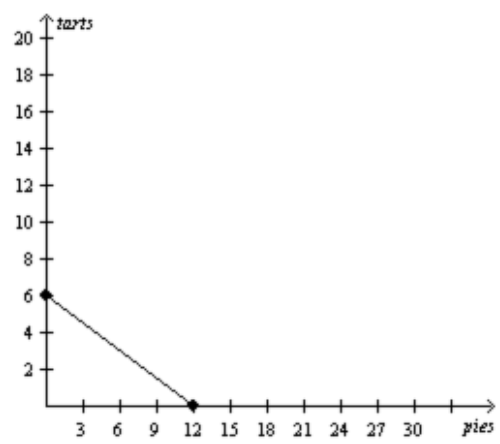
- 2/5 pie
- 2 pies
- 5/2 pies
- 10 pies

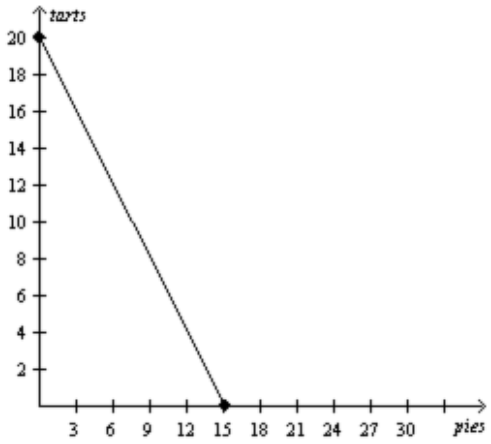
Question 12

1 / 1 pts

Figure 3-17

Maxine's Production Possibilities Frontier **Daisy's Production Possibilities Frontier**





Refer to Figure 3-17. Suppose Daisy decides to increase her production of pies by 6. What is the opportunity cost of this decision?

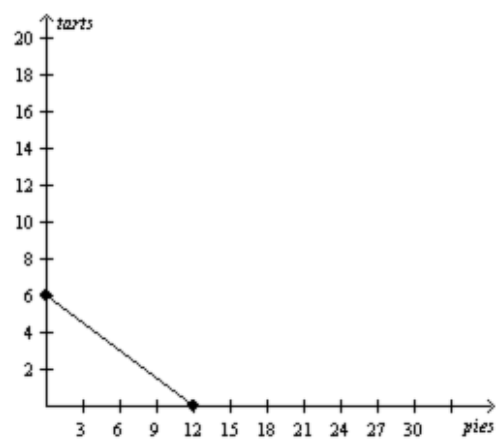
- 8/3 tarts
- 4.5 tarts
- 8 tarts
- 10 tarts

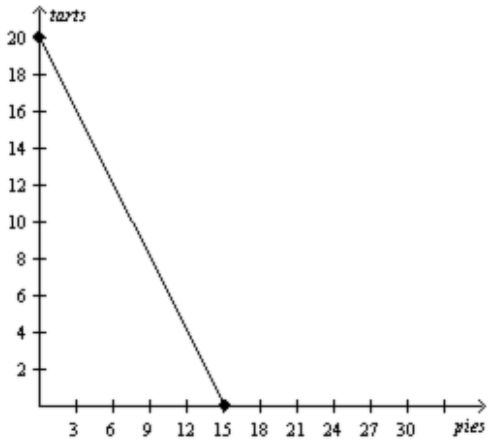
Question 13

1 / 1 pts

Figure 3-17

Maxine's Production Possibilities Frontier **Daisy's Production Possibilities Frontier**





Refer to Figure 3-17. Maxine has an absolute advantage in the production of

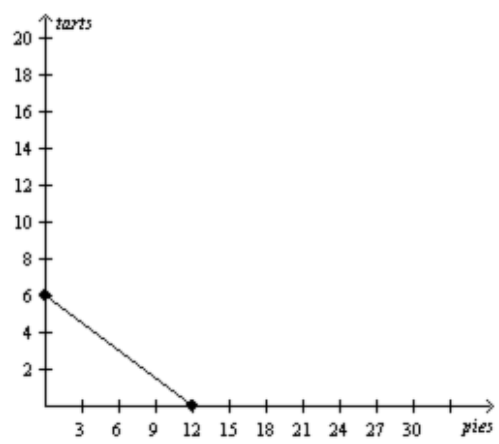
- both goods and a comparative advantage in the production of pies.
- both goods and a comparative advantage in the production of tarts.
- neither good and a comparative advantage in the production of pies.
- neither good and a comparative advantage in the production of tarts.

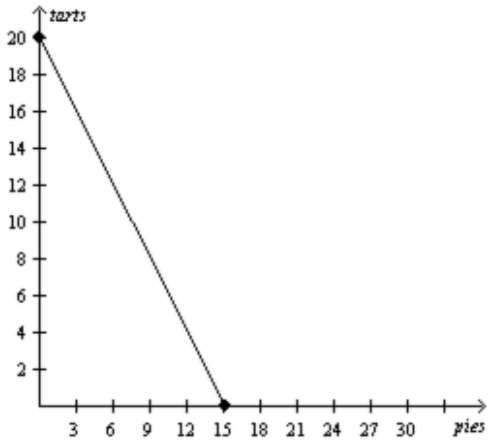
Question 14

1 / 1 pts

Figure 3-17

Maxine's Production Possibilities Frontier **Daisy's Production Possibilities Frontier**





Refer to Figure 3-17. Daisy has an absolute advantage in the production of

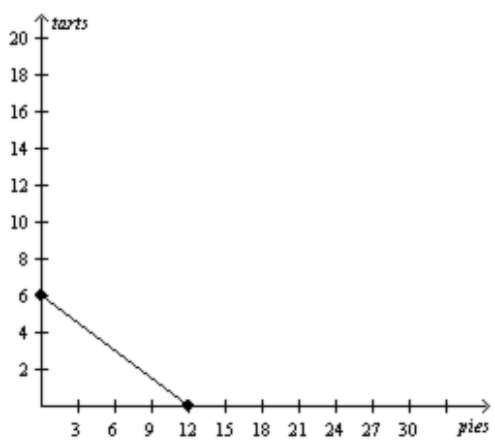
- both goods and a comparative advantage in the production of pies.
- both goods and a comparative advantage in the production of tarts.
- neither good and a comparative advantage in the production of pies.
- neither good and a comparative advantage in the production of tarts.

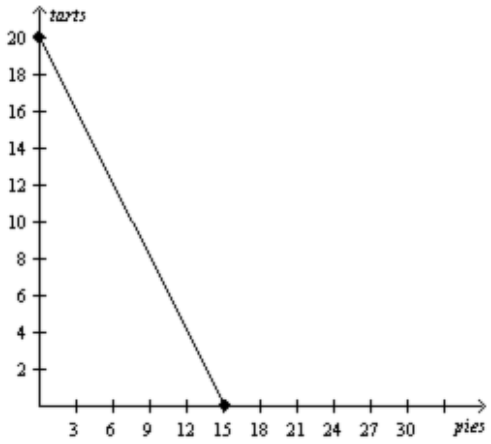
Question 15

1 / 1 pts

Figure 3-17

Maxine's Production Possibilities Frontier **Daisy's Production Possibilities Frontier**





Refer to Figure 3-17. At which of the following prices would both Maxine and Daisy gain from trade with each other?

- 4 tarts for 2 pies
- 8 tarts for 12 pies
- 12 tarts for 28 pies
- Maxine and Daisy could not both gain from trade with each other at any price.

Question 16

1 / 1 pts

Table 3-33

Chris and Tony's Production Opportunities

	Tomatoes	Pasta Sauce
Chris	10 lbs	300 jars
Tony	14 lbs	280 jars

Refer to Table 3-33 Chris and Tony both produce tomatoes and pasta sauce. The table shows their possible production per month if both work the same number of 8 hour days. Given this information, Chris's opportunity cost of 1 lb. of tomatoes is

- 2 jars of sauce and Tony's opportunity cost of 1 lb. of tomatoes is 3 jars of sauce.
- 3 jars of sauce and Tony's opportunity cost of 1 lb. of tomatoes is 2 jars of sauce.
- 20 jars of sauce and Tony's opportunity cost of 1 lb. of tomatoes is 30 jars of sauce.
- **30 jars of sauce and Tony's opportunity cost of 1 lb. of tomatoes is 20 jars of sauce.**

Question 17

1 / 1 pts

Table 3-33

Chris and Tony's Production Opportunities

	Tomatoes	**Pasta Sauce**
Chris	10 lbs	300 jars
Tony	14 lbs	280 jars

Refer to Table 3-33 Chris and Tony both produce tomatoes and pasta sauce. The table shows their possible production per month if both work the same number of 8 hour days. If Chris and Tony both decide to specialize and produce only the good in which they have a comparative advantage, then

- [x] Chris will produce only sauce and Tony will produce only tomatoes.
- [ ] Chris will produce only tomatoes and Tony will produce only sauce.
- [ ] Both Chris and Tony will produce only sauce.
- [ ] Both Chris and Tony will produce only tomatoes.

Question 18

1 / 1 pts

Table 3-33

Chris and Tony's Production Opportunities

	Tomatoes	Pasta Sauce
Chris	10 lbs	300 jars
Tony	14 lbs	280 jars

Refer to Table 3-33 Chris and Tony both produce tomatoes and pasta sauce. The table shows their possible production per month if both work the same number of 8 hour days. Which of the following statements is correct?

- [ ] Tony has a comparative advantage in the production of sauce.
- [ ] Chris has a comparative advantage in the production of tomatoes.
- [x] Tony has an absolute advantage in the production of tomatoes.
- [ ] Chris has an absolute advantage in the production of tomatoes.

Question 19

1 / 1 pts

Table 3-33

Chris and Tony's Production Opportunities

	Tomatoes	**Pasta Sauce**
Chris	10 lbs	300 jars
Tony	14 lbs	280 jars

Refer to Table 3-33 Chris and Tony both produce tomatoes and pasta sauce. The table shows their possible production per month if both work the same number of 8 hour days. Which of the following prices would result in a mutually advantageous trade between Chris and Tony?

- 1 lb. of tomatoes for 23 jars of sauce
- 1 lb. of tomatoes for 27 jars of sauce
- 1 lb. of tomatoes for 33 jars of sauce
- .Both a and b are correct.

Question 20

1 / 1 pts

Adam Smith

- and David Ricardo both opposed free trade.
- opposed free trade, but David Ricardo supported it.
- supported free trade, but David Ricardo opposed it.
- and David Ricardo both supported free trade.

Quiz Score: **20** out of 20