

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.

This quiz was locked Jan 27 at 11:59pm.

Attempt History

	Attempt	Time	Score
KEPT	Attempt 2	3 minutes	18 out of 20
LATEST	Attempt 2	3 minutes	18 out of 20
	Attempt 1	14 minutes	17 out of 20

Score for this attempt: **18** out of 20

Submitted Jan 21 at 4pm

This attempt took 3 minutes.

Question 1

1 / 1 pts

A production possibilities frontier is a straight line when



the more resources the economy uses to produce one good, the fewer resources it has available to produce the other good.

Correct!

- ☐ an economy is interdependent and engaged in trade instead of self-sufficient.
- ☒ the rate of tradeoff between the two goods being produced is constant.
- ☐ the rate of tradeoff between the two goods being produced depends on how much of each good is being produced.

Question 2**1 / 1 pts**

Comparative advantage is related most closely to which of the following?

Correct!

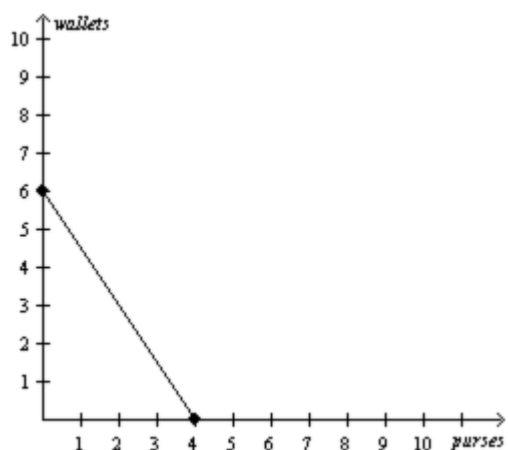
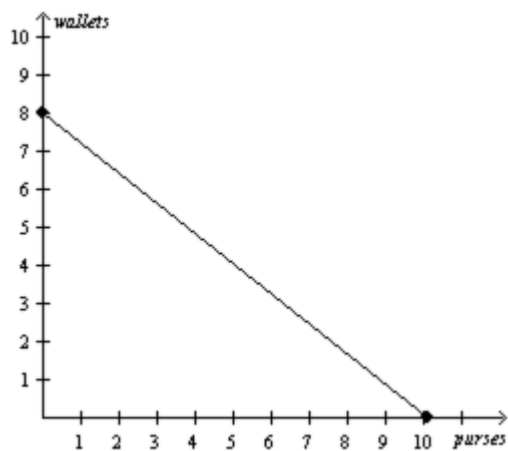
- ☐ output per hour
- ☒ opportunity cost
- ☐ efficiency
- ☐ bargaining strength in international trade

Question 3**1 / 1 pts**

Figure 3-16

Hosne's Production Possibilities Frontier

Merve's Production Possibilities Frontier



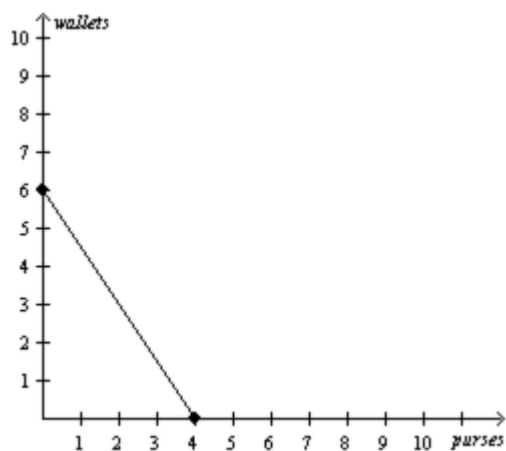
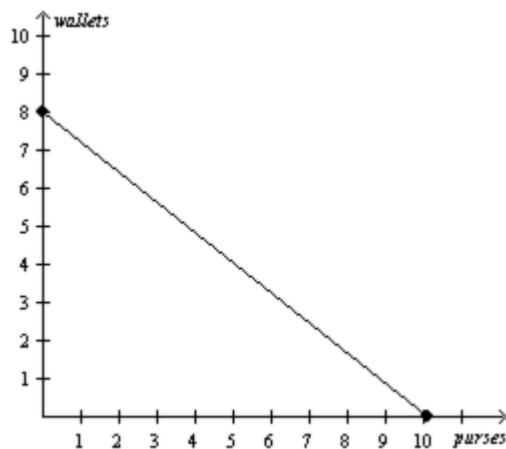
Refer to Figure 3-16. Hosne's opportunity cost of one purse is

- ☐ 4/5 wallet and Merve's opportunity cost of one purse is 2/3 wallet.
- ☒ 4/5 wallet and Merve's opportunity cost of one purse is 3/2 wallets.
- ☐ 5/4 wallets and Merve's opportunity cost of one purse is 2/3 wallet.
- ☐ 5/4 wallets and Merve's opportunity cost of one purse is 3/2 wallets.

Correct!

Question 4

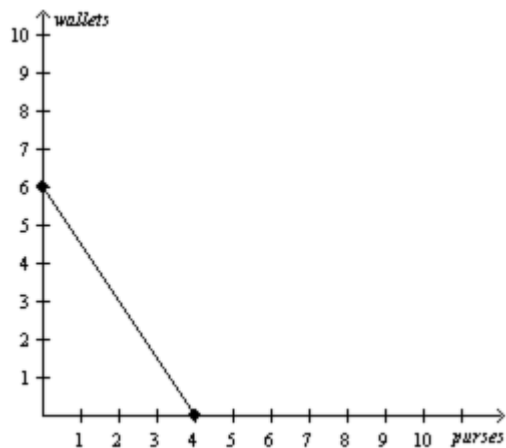
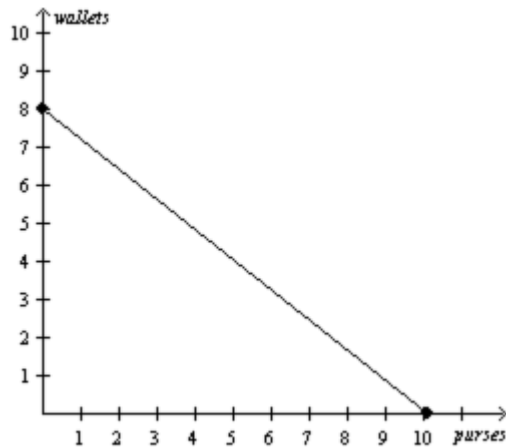
1 / 1 pts

Figure 3-16**Hosne's Production Possibilities Frontier****Merve's Production Possibilities Frontier**

Refer to Figure 3-16. Hosne's opportunity cost of one wallet is

- ☐ 4/5 purse and Merve's opportunity cost of one wallet is 2/3 purse.
- ☐ 4/5 purse and Merve's opportunity cost of one wallet is 3/2 purses.
- ☒ 5/4 purses and Merve's opportunity cost of one wallet is 2/3 purse.
- ☐ 5/4 purses and Merve's opportunity cost of one wallet is 3/2 purses.

Correct!

Question 5**0 / 1 pts****Figure 3-16****Hosne's Production Possibilities Frontier****Merve's Production Possibilities Frontier**

Refer to Figure 3-16. Hosne has an absolute advantage in the production of



purses and Merve has an absolute advantage in the production of wallets.

ou Answered



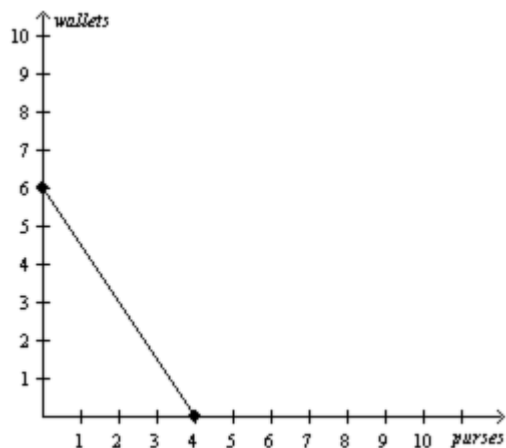
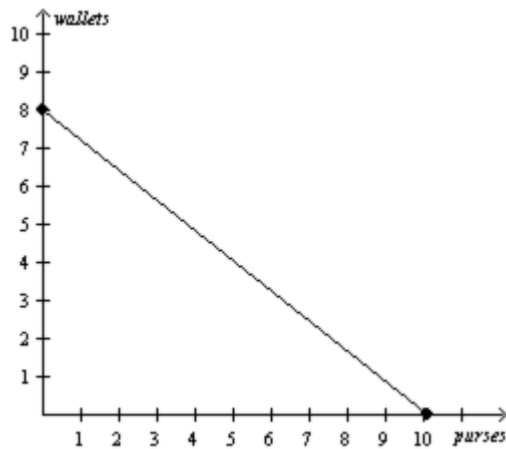
wallets and Merve has an absolute advantage in the production of purses.

Correct Answer

both goods and Merve has an absolute advantage in the production of neither good.



neither good and Merve has an absolute advantage in the production of both goods.

Question 6**1 / 1 pts***Figure 3-16***Hosne's Production Possibilities Frontier****Merve's Production Possibilities Frontier**

Refer to Figure 3-16. Hosne has a comparative advantage in the production of

Correct!



purses and Merve has a comparative advantage in the production of wallets.



wallets and Merve has a comparative advantage in the production of purses.



both goods and Merve has a comparative advantage in the production of neither good.



neither good and Merve has a comparative advantage in the production of both goods.

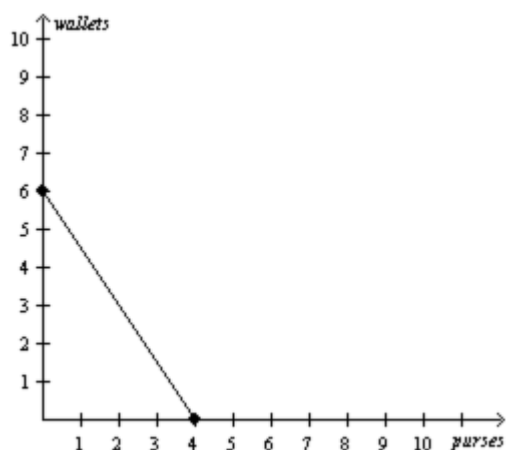
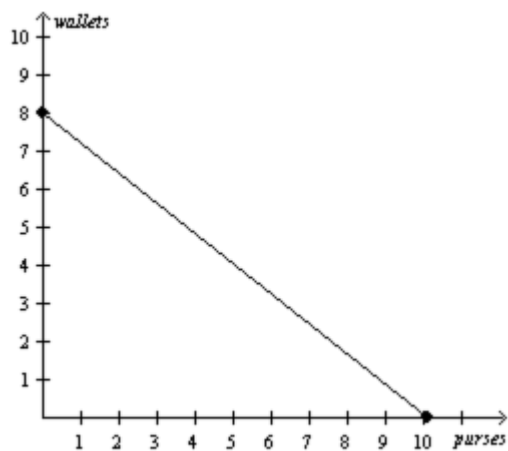
Question 7

1 / 1 pts

Figure 3-16

Hosne's Production Possibilities Frontier

Merve's Production Possibilities Frontier



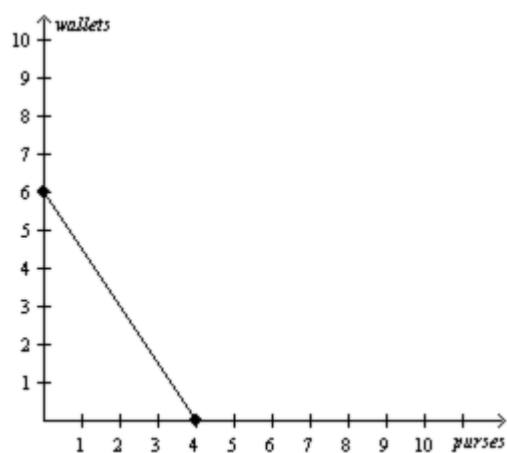
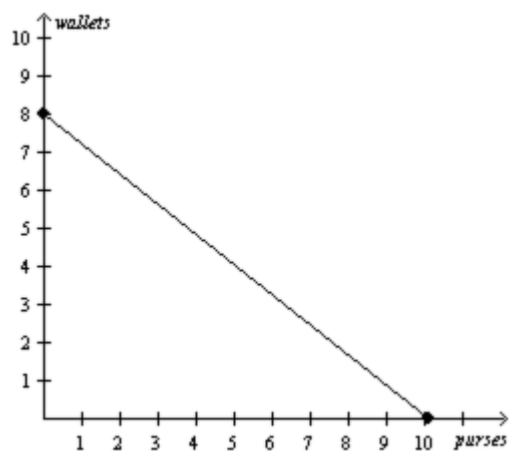
Refer to Figure 3-16. Hosne should specialize in the production of

Correct!

- ☒ purses.
- ☐ wallets.
- ☐ both goods.
- ☐ neither good.

Question 8

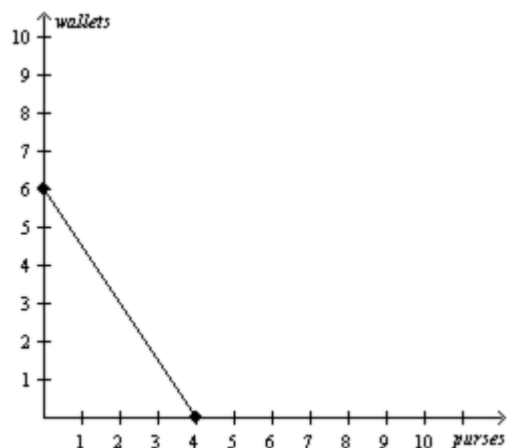
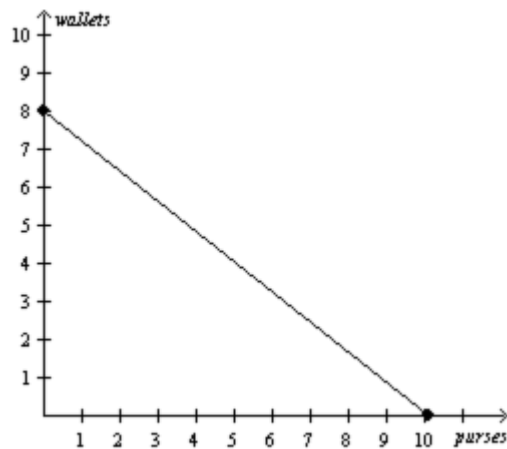
1 / 1 pts

Figure 3-16**Hosne's Production Possibilities Frontier****Merve's Production Possibilities Frontier**

Refer to Figure 3-16. Merve should specialize in the production of

- ☐ purses.
- ☒ wallets.
- ☐ both goods.
- ☐ neither good.

Correct!

Question 9**1 / 1 pts****Figure 3-16****Hosne's Production Possibilities Frontier****Merve's Production Possibilities Frontier**

Refer to Figure 3-16. At which of the following prices would both Hosne and Merve gain from trade with each other?

☐ 5 wallets for 1.25 purses

☐ 5 wallets for 2.5 purses

☒ 5 wallets for 3.75 purses

Correct!



Hosne and Merve could not both gain from trade with each other at any price.

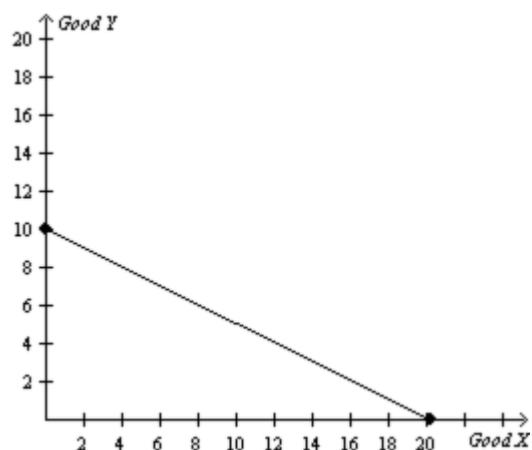
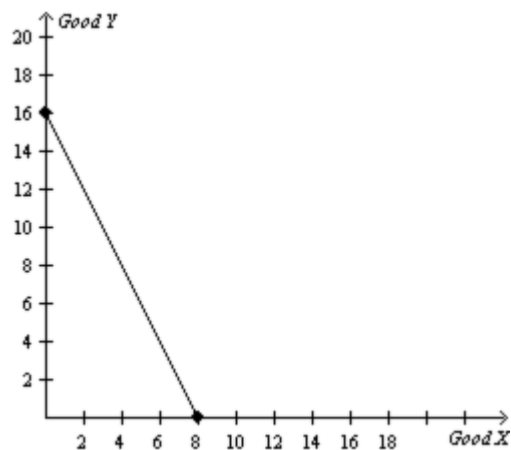
Question 10

1 / 1 pts

Figure 3-20

Canada's Production Possibilities Frontier

Mexico's Production Possibilities Frontier



Refer to Figure 3-20. Canada has an absolute advantage in the production of

Correct!

Good X and Mexico has an absolute advantage in the production of Good Y.



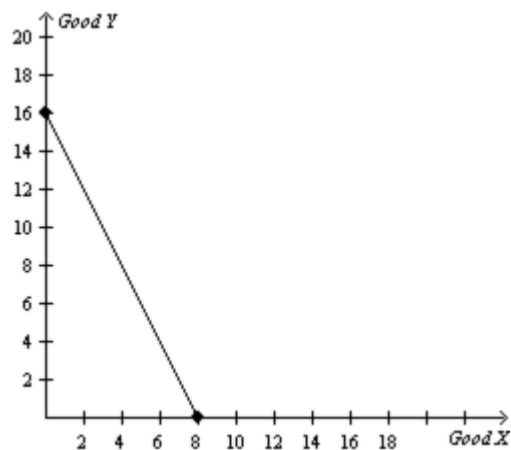
Good Y and Mexico has an absolute advantage in the production of Good X.

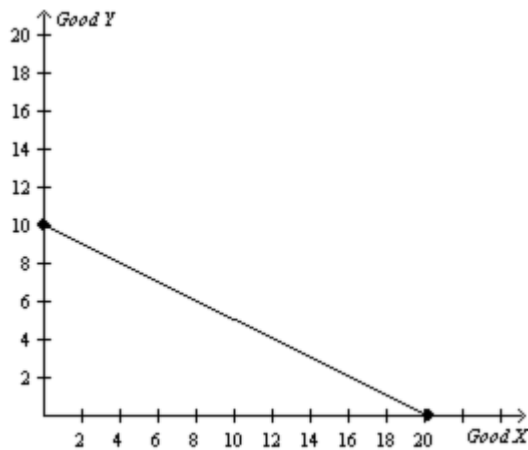


both goods and Mexico has an absolute advantage in the production of neither good.



neither good and Mexico has an absolute advantage in the production of both goods.

Question 11**1 / 1 pts*****Figure 3-20*****Canada's Production Possibilities Frontier****Mexico's Production Possibilities Frontier**



Refer to Figure 3-20. Canada has a comparative advantage in the production of



Good X and Mexico has a comparative advantage in the production of Good Y.



Good Y and Mexico has a comparative advantage in the production of Good X.



both goods and Mexico has a comparative advantage in the production of neither good.



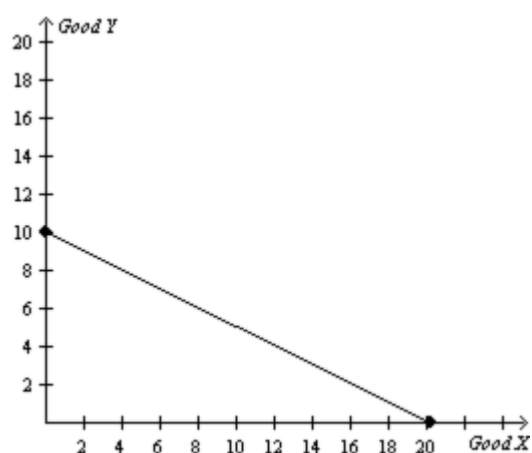
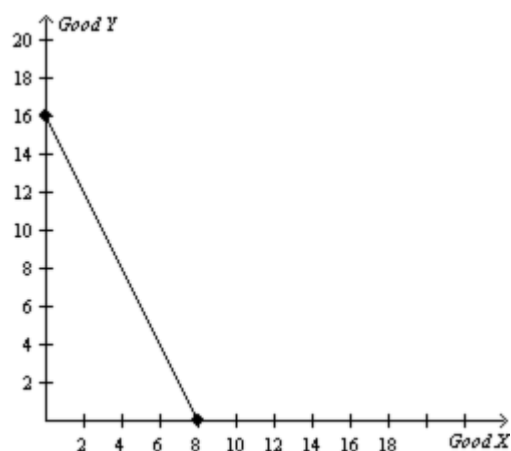
neither good and Mexico has a comparative advantage in the production of both goods.

Correct!

Question 12

1 / 1 pts

Figure 3-20

Canada's Production Possibilities Frontier**Mexico's Production Possibilities Frontier**

Refer to Figure 3-20. At which of the following prices would both Canada and Mexico gain from trade with each other?

Correct!

☒ 9 units of Good Y for 6 units of Good X

☐ 8 units of Good Y for 20 units of Good X

☐ 70 units of Good Y for 30 units of Good X

☐ Canada and Mexico could not both gain from trade with each other at any price.

Question 13**0 / 1 pts***Table 3-32***US and French Production Opportunities**

	Wine (in millions of gallons)	Cheese (in millions of lbs.)
US	16	32
France	8	4

Refer to Table 3-32 The US has a comparative advantage in the production of

You Answered

☒ wine.

Correct Answer

☐ cheese.

☐ both wine and cheese.

☐ neither wine nor cheese.
Question 14**1 / 1 pts***Table 3-32***US and French Production Opportunities**

	Wine (in millions of gallons)	Cheese (in millions of lbs.)
US	16	32
France	8	4

Refer to Table 3-32 France has an absolute advantage in the production of

- ☐ wine.
- ☐ cheese.
- ☐ both wine and cheese.
- ☒ neither wine nor cheese.

Correct!

Question 15

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.

Correct!



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

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. If Chris and Tony both decide to specialize and produce only the good in which they have a comparative advantage, then

Correct!



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 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. 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.
- ☒ Tony has an absolute advantage in the production of tomatoes.
- ☐ Chris has an absolute advantage in the production of tomatoes.

Correct!**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 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.

Correct!

Question 19

1 / 1 pts

By definition, imports are

- ☐ people who work in foreign countries.
- ☐ goods in which a country has an absolute advantage.
- ☐ limits placed on the quantity of goods leaving a country.
- ☒ goods produced abroad and sold domestically.

Correct!

Question 20

1 / 1 pts

By definition, exports are

- ☐ limits placed on the quantity of goods brought into a country.

Correct!

- ☐ goods in which a country has an absolute advantage.
- ☐ people who work in foreign countries.
- ☒ goods produced domestically and sold abroad.

Quiz Score: **18** out of 20