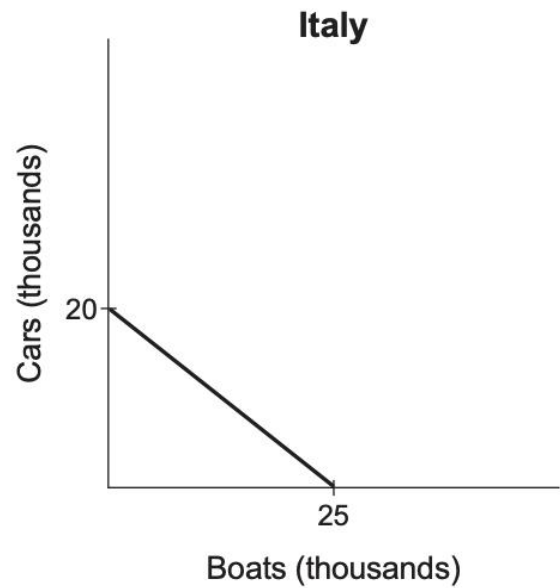
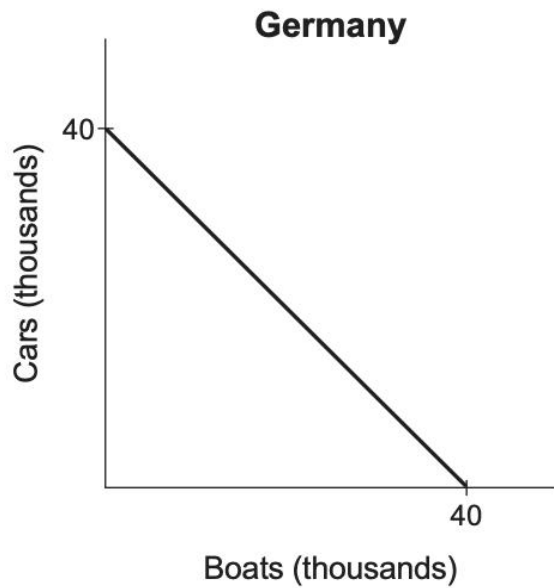


3. The following graphs represent the production possibilities for Germany and Italy, and two products: cars and boats.



According to the above graphs, which of the following statements is correct?

- (a) Italy has a comparative advantage in producing boats.
- (b) Italy has an absolute advantage in producing boats.
- (c) Germany has a comparative advantage in producing boats.
- (d) Both countries should produce an equal combination of cars and boats.