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Absolute advantage has to do with which competitor produces “more,” given similar resources. There is no indication of any of this in the question. Comparative advantage attempts to determine which is your lowest opportunity cost (what you give up or the next best alternative). The fact that Kirana is trying to figure out her best productivity level within one hour, indicates that she will give up 10 units of wine per hour, and choose to produce 20 units of coffee in one hour instead. Hence, option b) is the best result.

If Kirana is skilled at making both wine and coffee, she may determine how much labor goes into producing each product. If it takes one hour of labor to produce 10 units of wine and one hour of labor to produce 20 units of coffee, then Kirana has a _____ in making coffee.

- ☐ a) cost-benefit principle
- ➡ ☐ b) comparative advantage
- ☐ c) process in determining between a positive statement and a normative statement.
- ✗ ☒ d) absolute advantage



According to the readings in our textbook, the author’s narrated PPT slides and videos, all economies except for traditional ones are first and foremost a mixed system (adopting the best-practices), and then, lean a little, somewhat more, or extremely so on a pendulum toward a socialist or the free-market systems. Thus, the best answer is option a).

Canada is an economic system that would be most accurately described as a _____, while Cuba’s economic system would most accurately be described as a _____.

- ➡ ☐ a) Mixed Economy; Mixed Economy.
- ☐ b) Pure Socialism; Communism.
- ☐ c) Pure Capitalism; Pure Socialism
- ✗ ☒ d) Mixed Economy; Pure Socialism

According to the readings in our textbook and the author’s narrated PPT slides and videos, all economies except for traditional ones are first and foremost a mixed system (adopting the best-practice of both extreme economic systems), and then, lead a little, intermediate, or extremely so toward a socialist or the free-market systems. Thus, the best answer is option d).

Of the following economic systems, which of the following countries could be best described as a "mixed system?"

-  ☒ a) Canada
- ☐ b) Cuba
- ☐ c) Estonia
-  ☐ d) all of the above