

## Quiz 1 (Oct. 17.2017)

Q1: Fill the blanks in the table.

	Robinson		Friday	
	Fish	Banana	Fish	Banana
Output per day (10 hours/day)	5	8	8	10
Time spent for one unit of production				
Opportunity cost per unit				

Q2: Who has the absolute advantage for fish / banana?

Q3: Who has the comparative advantage for fish / banana?

## Quiz 1 (Oct. 10.2017) < Answer >

Q1: Fill the blanks in the table.

	Robinson		Friday	
	Fish	Banana	Fish	Banana
Output per day (10 hours/day)	5	8	8	10
Time spent for one unit of production	=10/5 = 2 hrs (a)	=10/8=5/4 hrs (b)	=10/8=5/4 hrs (c)	=10/10=1 hr (d)
Opportunity cost per unit	=2/(5/4)=8/5 banana (e)	=(5/4)/2 = 5/8 fish (f)	=(5/4)/1 = 5/4 banana (g)	=1/(5/4)=4/5 fish (h)

Q2: Who has the absolute advantage for fish / banana?

AA(Fish) = Friday ((a)>(c)), AA(Banana)=Friday ((b)>(d))

Q3: Who has the comparative advantage for fish / banana?

CA(Fish)=Friday ((e)>(g)), CA(Banana)=Robinson ((f)<(h))