

Comparative Advantage and Absolute Advantage

Consider the follow two individuals, Kent and Michelle, and the amount of time it will take them to complete two different tasks: cooking a meal and mowing the lawn.

	Cooking a meal	Mowing the lawn
Kent	30 minutes	60 minutes
Michelle	45 minutes	45 minutes

1. What is Kent's opportunity cost of cook a meal in terms of mowing the lawn?
2. What is Kent's opportunity cost of mowing the lawn in terms of cooking a meal?
3. What is Michelle's opportunity cost of cooking a meal in terms of mowing the lawn?
4. What is Michelle's opportunity cost of mowing the lawn in terms of cooking a meal?
5. Who has the absolute advantage in cooking a meal?
6. Who has the absolute advantage in mowing the lawn?
7. Who has the comparative advantage in cooking a meal?
8. Who has the comparative advantage in mowing the lawn?
9. Who should do which activity and why?
10. Why is comparative advantage important for countries and individuals?