

Last Name: _____ First Name: _____

Student Number: _____

Quiz 2

Completion

Complete each sentence or statement.

1. A country has a _____ in the production of a good when it can produce it using less raw materials than another county.
2. A country has a _____ in the production of a good if it can produce it at a lower opportunity cost than any other county.
3. _____ was the economist who argued that comparative advantage was the key to mutually beneficial trade and not absolute advantage.
4. Between Canada and the US which country has an absolute advantage in the production of canola (Hint: Canada produces more canola but the US generally has more fertile soil) ? _____
5. Between the US and Mexico if we consider the market for shoes and biotech research, which country likely has a comparative advantage in the production of shoes? _____
6. _____ in the production of the goods for which you have a comparative advantage are the basis to gain from trading.
7. The following table represent hours required to catch 1 fish and 1 quart of berries.

	1 Quart of Berries	1 Fish
Maryanne	1 hour	1 hour
Gilligan	1½ hours	3 hours

- _____ has a comparative advantage in catching fish.
8. We reach a(n) _____ when supply and demand curves intersect.
 9. Excess _____ exists when the market price is below the equilibrium price
 10. Excess demand exists when there is _____ quantity demand than supplied.