Unit 1.4 Comparative Advantage and Trade

AP Microeconomics Homework

Total: 30 questions

1. 题库 Unit 1 PPC Q2

Cindy and Martin both sew t-shirts in a small factory. Using the same resources, Martin can sew twelve t-shirts and Cindy can sew nine t-shirts in one day. Which of the following can be concluded from the given information?

(A) Martin has a higher opportunity cost of sewing t-shirts than Cindy does.

(B) Cindy has a comparative advantage in sewing t-shirts.

(C) Martin has a comparative advantage in sewing t-shirts.

(D) Martin has an absolute advantage in sewing t-shirts.

(E) Cindy has an absolute advantage in sewing t-shirts.

2. 题库 Unit 1 PPC Q3

Both Amy and Brad produce and consume apple pie and ice cream. In one hour, Brad makes five apple pies or ten gallons of ice cream while Amy makes fifteen apple pies or fifteen gallons of ice cream. Based on the above information, one can correctly conclude that

(A) Brad has an absolute advantage in making ice cream and will sell ice cream to Amy

(B) Brad has a comparative advantage in making ice cream and will sell ice cream to Amy

(C) Brad does not have a comparative advantage in making either good and will not trade with Amy

(D) Brad has an absolute advantage in making apple pies but a comparative advantage in making ice cream

(E) Brad's opportunity cost of making ice cream is higher than Amy's

3. 题库 Unit 1 PPC Q4

The table below shows the amount of labor required to produce a unit of corn and a unit of shoes in Brazil and Spain. If both countries have equal numbers of workers, what pattern of international trade between Brazil and Spain is most likely to emerge?

	Corn	Shoes
Brazil	2 hours of labor	8 hours of labor
Spain	4 hours of labor	12 hours of labor

(A) Brazil will export both corn and shoes.

(B) Spain will export both corn and shoes.

(C) No mutually beneficial trade can occur.

(D) Brazil will export corn and import shoes.

(E) Brazil will import corn and export shoes.

4. 题库 Unit 1 PPC Q5

The table below shows the number of labor hours required to produce a cell phone or a unit of lumber in Estonia and in Finland. Based on the information in the table, which of the following is true?

	Cell Phone	Unit of Lumber
Estonia	20 hours	5 hours
Finland	20 hours	4 hours

(A) Estonia has a comparative advantage in producing lumber.

(B) Finland has a comparative advantage in producing cell phones.

(C) Finland has an absolute advantage in producing lumber.

(D) Estonia has both the absolute and comparative advantages in producing lumber.

(E) Neither country has a comparative advantage in producing cell phones.

5. 题库 Unit 1 PPC Q6

A professor hires two aides, assigning them the tasks of reading student papers and of typing lecture notes on a computer. One of the aides, Ben, can read 1 page of a student paper per minute or type 50 words of lecture notes per minute, and the other aide, Ann, can read 3 pages of a student paper per minute or type 60 words of lecture notes per minute. Which of the following statements is true?

(A) Ann has a comparative advantage in reading student papers, and Ben has a comparative advantage in typing lecture notes.

(B) Ann has an absolute advantage in reading student papers, and Ben has an absolute advantage in typing lecture notes.

(C) Ben has a comparative advantage in reading student papers, and Ann has a comparative advantage in typing lecture notes.

(D) Ben has a comparative advantage in both reading student papers and typing lecture notes.

(E) Ben has an absolute advantage in both reading student papers and typing lecture notes.

6. 题库 Unit 1 PPC Q7

A linear production possibilities curve indicates which of the following?

(A) Constant opportunity costs

(B) Decreasing opportunity costs

(C) Increasing opportunity costs

(D) Diminishing marginal returns

(E) Labor-intensive production

7. 题库 Unit 1 PPC Q8

A farmer in Country A can harvest 20 bushels of wheat or 10 bushels of corn in a day, while a farmer in Country B can harvest 8 bushels of wheat or 8 bushels of corn in a day. If Country A and Country B specialize and trade, Country A will

(A) export wheat and import corn

(B) export corn and import wheat

(C) export both wheat and corn

(D) import both wheat and corn

(E) benefit more from trade than will Country B

8. 题库 Unit 1 PPC Q9

The table below shows the opportunity costs of producing apples and oranges in Countries X and Y. Which of the following can be concluded based on the data given in the table?

Country	Opportunity Cost of 1 Ton of Apples	Opportunity Cost of 1 Ton of Oranges
X	1 ton of oranges	1 ton of apples
Y	2 tons of oranges	0.5 ton of apples

(A) Country Y has an absolute advantage in producing both goods.

(B) Country Y has a comparative advantage in producing both goods.

(C) Country X has an absolute advantage in producing both goods.

(D) Country X has a comparative advantage in producing oranges.

(E) Country X has a comparative advantage in producing apples.

9. 题库 Unit 1 PPC Q10

The table below shows the units of manufactured goods and service goods produced using one hour of labor. According to the information in the table, which of the following statements is true if both countries have the same number of workers?

Country	Manufactured Goods	Service Goods
A	100 units	300 units

B	75 units	150 units

(A) Country A has both an absolute and a comparative advantage in manufactured goods.

(B) Country A has an absolute advantage in manufactured goods but a comparative advantage in service goods.

(C) Country B has a comparative advantage in service goods but no absolute advantage in either good.

(D) Country A has an absolute advantage in service goods but a comparative advantage in manufactured goods.

(E) Country B has an absolute advantage in manufactured goods, but without more information, it is not possible to tell in which product it has a comparative advantage.

10. 题库 Unit 1 PPC Q11

Dana and Robin produce smoothies and pizza. In one hour Dana can make 20 smoothies or 10 pizzas. In one hour Robin can make 18 smoothies or 6 pizzas. Which of the following statements is true?

(A) Robin has an absolute advantage in making smoothies and a comparative advantage in making pizzas.

(B) Robin has both an absolute advantage and a comparative advantage in making pizzas.

(C) Dana has a comparative advantage in making both smoothies and pizzas.

(D) Dana has a comparative advantage in making pizzas, and Robin has a comparative advantage in making smoothies.

(E) Dana has a comparative advantage in making smoothies, and Robin has a comparative advantage in making pizzas.

11. 题库 Unit 1 PPC Q15

The chart below shows the number of resource units the countries Gamma and Omega must use to produce one unit of food or one unit of clothing. Which of the following statements is true according to the chart?

	Gamma	**Omega**
Food	10 resource units	5 resource units
Clothing	9 resource units	3 resource units

(A) Trade should take place, with Gamma specializing in clothing production and Omega specializing in food production.

(B) Trade should take place, with Gamma specializing in food production and Omega specializing in clothing production.

(C) Each country should devote half of its resources to food production and half to clothing production and not trade.

(D) Since Omega can produce both food and clothing using fewer resources than Gamma, it cannot benefit from trade with Gamma.

(E) Since Gamma can produce both food and clothing using fewer resources than Omega, it cannot benefit from trade with Omega.

12. 题库 Unit 1 PPC Q18

Which of the following statements regarding specialization and trade is true?

(A) With specialization and trade, a country's production possibilities curve shifts out, showing an increase in productive capacity.

(B) With specialization and trade, a country will produce a combination of goods beyond its production possibilities curve.

(C) To gain from trade, countries specialize in producing goods and services in which they have an absolute advantage.

(D) With specialization and trade, a country can consume beyond its production possibilities curve.

(E) A country must have both the comparative and the absolute advantage in a product to specialize and gain from trade.

13. 题库 Unit 1 PPC Q21

Assume both Italy and Greece produce only two goods: wine and olive oil. If Italy holds a comparative advantage in the production of wine, then which of the following statements is NOT true?

(A) Italy must hold an absolute advantage in the production of wine.

(B) Greece holds a comparative advantage in the production of olive oil.

(C) Italy's opportunity cost of producing one additional unit of wine is lower than Greece's.

(D) Greece's opportunity cost of producing one additional unit of olive oil is lower than Italy's.

(E) If trade is open between them, these countries have an incentive to trade.

14. 题库 Unit 1 PPC Q22

Using the same amount of time and resources, Jack can assemble either 10 bikes or 5 computers, whereas Sam can assemble either 5 bikes or 5 computers. Based on the data, which of the following statements is correct?

(A) Sam has an absolute advantage in assembling bikes.
(B) Sam has an absolute advantage in assembling computers.
(C) Sam has a comparative advantage in assembling bikes.
(D) Jack has a comparative advantage in assembling bikes.
(E) Jack has a comparative advantage in assembling both bikes and computers.

15. 题库 Unit 1 PPC Q23

The table below shows the number of hours it takes for Kim to install a computer or to paint a garage and for Maria to install a computer or to paint a garage. If tasks are assigned according to comparative advantage, which of the following is true?

	Install a Computer	Paint a Garage
Kim	2 hours	6 hours
Maria	4 hours	8 hours

(A) Kim should perform both tasks.
(B) Maria should perform both tasks.
(C) Kim should install computers and Maria should paint garages.
(D) Kim should paint garages and Maria should install computers.
(E) Kim and Maria should both install computers.

16. 题库 Unit 1 PPC Q28

The table below shows the output per day for Mr. X and Ms. Y. If Mr. X and Ms. Y have the opportunity to trade, which of the following will be mutually beneficial?

	Bread (loaves/day)	Shoes (pairs/day)
Mr. X	8	4
Ms. Y	6	3

(A) Ms. Y sells shoes to and buys bread from Mr. X.
(B) Ms. Y sells bread to and buys shoes from Mr. X.
(C) Ms. Y sells both bread and shoes to Mr. X.
(D) Ms. Y buys both bread and shoes from Mr. X.
(E) Ms. Y and Mr. X do not trade with each other.

17. 题库 Unit 1 PPC Q35

The table below shows the total labor hours required to produce a unit of gold and a unit of sugar in Portugal and Spain. Which country has an absolute advantage in sugar production?

	Gold	Sugar
Portugal	1/4 hour	1/4 hour
Spain	2 hours	4 hours

(A) Neither Spain nor Portugal, because both require fewer labor hours to produce a unit of gold than to produce a unit of sugar.
(B) Spain, because the opportunity cost of sugar in terms of gold is lower.
(C) Spain, because it requires fewer total labor hours than Portugal to produce a unit of sugar.
(D) Portugal, because it requires more total labor hours than Spain to produce a unit of sugar.
(E) Portugal, because it takes only a quarter of an hour to produce a unit of sugar.

18. 题库 Unit 1 PPC Q48

The table below shows the maximum number of palm leaves or coconuts that Robert and Frank can pick respectively in a single day. Which of the following is true?

	Palm Leaves	Coconuts
Robert	8	2
Frank	10	5

(A) Robert has a comparative advantage in picking coconuts.
(B) Frank has a comparative advantage in picking palm leaves.
(C) Robert and Frank can both benefit from trade with each other if 1 coconut is traded for 1 palm leaf.
(D) Robert and Frank can both benefit from trade with each other if 1 coconut is traded for 3 palm leaves.
(E) Robert and Frank can both benefit from trade with each other if 1 coconut is traded for 5 palm leaves.

19. 题库 Unit 1 PPC Q49

Suppose that in one week Sam can knit 5 sweaters or make 4 blankets and Rob can knit 10 sweaters or make 6 blankets. Which of the following is true?

(A) Sam has an absolute advantage in making blankets.
(B) Sam has an absolute advantage in knitting sweaters.
(C) Sam has a comparative advantage in making blankets.
(D) Sam has a comparative advantage in knitting sweaters.
(E) Sam has neither a comparative nor an absolute advantage in knitting sweaters or making blankets.

20. 题库 Unit 1 PPC Q51

If nations specialize according to their comparative advantage and engage in international trade with each other, each nation can

(A) produce outside its production possibilities curve
(B) consume outside its production possibilities curve
(C) shift its production possibilities curve to the right
(D) become more self-sufficient
(E) produce more of all goods

21. 题库 Unit 1 PPC Q52

A country can consume beyond its present production possibilities curve when it

(A) trades with other countries, thus taking advantage of different opportunity costs
(B) reduces unemployment, thus increasing output
(C) experiences decreasing opportunity costs
(D) faces an upward-sloping production possibilities curve
(E) faces a downward-sloping production possibilities curve

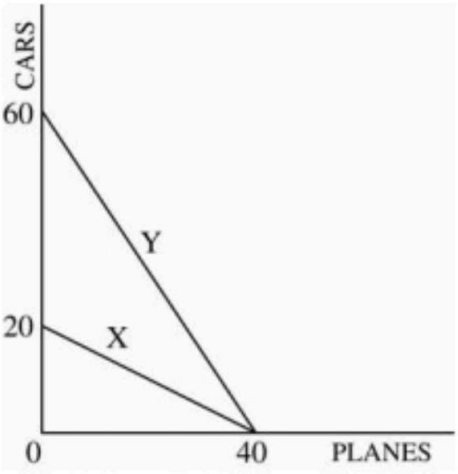
22. 题库 Unit 1 PPC Q54

In the country Beta it takes two hours of labor to produce a unit of tea and four hours of labor to produce a unit of bread. In the country Zeta it takes three hours of labor to produce a unit of tea and nine hours of labor to produce a unit of bread. Which of the following is true?

(A) Country Zeta has an absolute advantage in producing both tea and bread.
(B) Country Zeta has an absolute advantage and a comparative advantage in producing tea.
(C) Country Beta has an absolute advantage and a comparative advantage in producing tea.
(D) Country Beta has the lower opportunity cost in producing bread and therefore a comparative advantage in producing bread.
(E) Country Beta, with trade, will export both tea and bread to country Zeta.

23. 题库 Unit 1 PPC Q55

The diagram below shows the production possibilities curves for two countries, Country X and Country Y. Assume that both countries use equal amounts of resources in production. If the two countries engage in trade, both would be better off under which of the following conditions?



(A) Country X produced both cars and planes, because it has an absolute advantage in the production of both goods.

(B) Country Y produced both cars and planes, because it has a comparative advantage in the production of both goods.

(C) Country X specialized in the production of cars, because it has an absolute advantage in the production of cars.

(D) Country X specialized in the production of cars, because it has a comparative advantage in the production of cars.

(E) Country Y specialized in the production of cars, because it has a comparative advantage in the production of cars.

24. 题库 Unit 1 PPC FRQ — Atlantis and Zanadu

Assume both Atlantis and Zanadu produce helmets and baseballs. Using equal amounts of resources, Atlantis can produce 100 helmets or 200 baseballs, whereas Zanadu can produce 100 helmets or 400 baseballs.

(a) Assume both Atlantis and Zanadu experience constant opportunity costs in producing helmets and baseballs. Draw a correctly labeled graph illustrating the production possibilities curves for Atlantis and Zanadu, showing helmets on the horizontal axis and baseballs on the vertical axis. Plot the numerical values provided above on your graph.

(b) Calculate the opportunity cost of one helmet for Atlantis. Show your work.

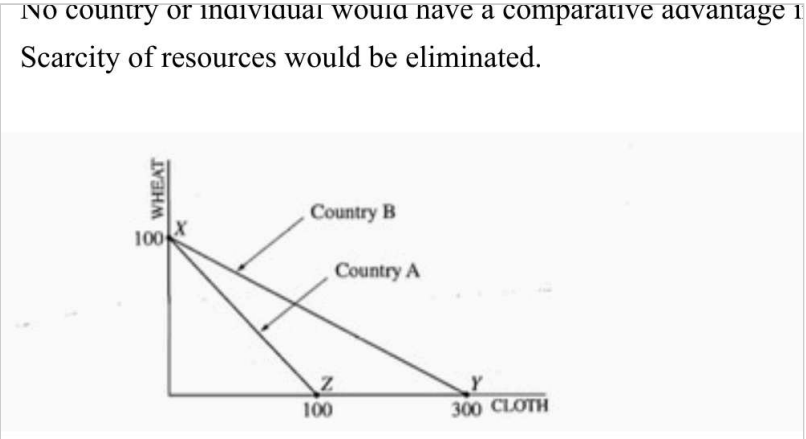
(c) Which country has an absolute advantage in the production of baseballs?

(d) Which country has a comparative advantage in the production of baseballs? Explain.

(e) If Atlantis and Zanadu specialize based on comparative advantage and trade, would they be able to gain from trade if the terms of trade are 1 helmet for 3 baseballs? Explain.

25. 题库 Unit 1 PPC FRQ — Countries A and B

The figure below shows the production possibilities for Countries A and B. Country A can produce 100 bushels of wheat or 100 yards of cloth (line XZ). Country B can produce 100 bushels of wheat or 300 yards of cloth (line XY). Both countries have equal amounts of resources and identical technologies.



(a) Which country has an absolute advantage in the production of wheat and which has an absolute advantage in the production of cloth? Explain how you determined your answer.

(b) Which country has a comparative advantage in the production of wheat and which has a comparative advantage in the production of cloth? Explain how you determined your answer.

(c) With specialization and trade, which country will import wheat? Explain why.

(d) Assume that the two countries trade, and that one bushel of wheat is exchanged for two yards of cloth. Explain why the country that imports wheat will gain from trade.

26. 2021 AP Micro MCQ Q6

The table below shows the number of labor hours required to produce a cell phone or a unit of lumber in Estonia and Finland. Based on the information in the table, which of the following is true?

	Cell Phone	Unit of Lumber
Estonia	20 hours	5 hours
Finland	20 hours	4 hours

(A) Estonia has a comparative advantage in producing lumber.

(B) Finland has a comparative advantage in producing cell phones.

(C) Finland has an absolute advantage in producing lumber.

(D) Estonia has both the absolute and comparative advantages in producing lumber.

(E) Neither country has a comparative advantage in producing cell phones.

27. 2022 AP Micro MCQ Q5

Dr. Art and Dr. Zed jointly own an outpatient surgery practice. Dr. Art takes 2 hours to perform knee surgery and 1 hour to perform elbow surgery. Dr. Zed takes 4 hours to perform knee surgery and 1 hour to perform elbow surgery. Which of the following conclusions is supported by the information provided?

(A) Dr. Art has a comparative advantage in elbow surgery.

(B) Dr. Zed has a comparative advantage in elbow surgery.

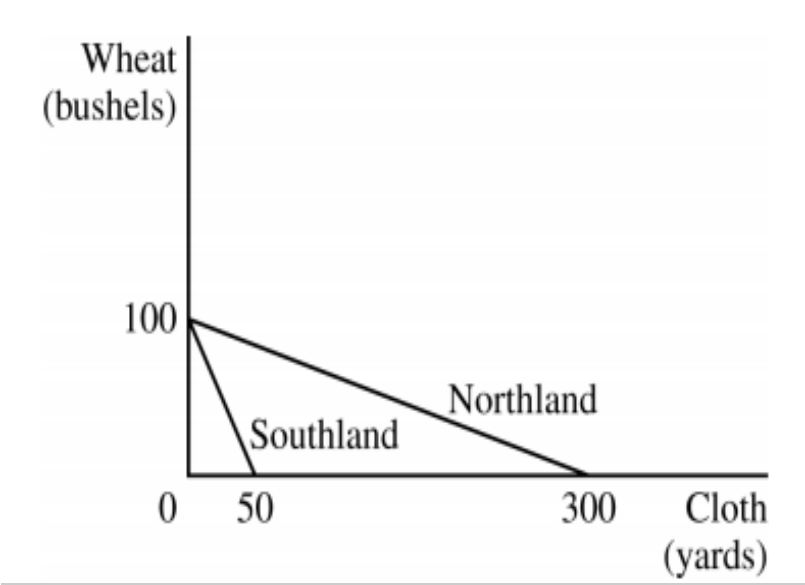
(C) Dr. Art has a comparative advantage in knee surgery.

(D) Dr. Zed has an absolute advantage in knee surgery.

(E) Dr. Art has an absolute advantage in elbow surgery.

28. 2023 AP Micro FRQ Q2

The graph shows the production possibilities curves for Northland and Southland.



(a) Which country has a comparative advantage in producing wheat? Explain using numbers.

(b) Identify a specific number of yards of cloth that could be traded for 10 bushels of wheat and would be mutually beneficial to Northland and Southland.

(c) Southland's maximum possible output of wheat falls from 100 bushels to 75 bushels. Assuming no other changes, will Southland have a comparative advantage in producing cloth? Explain using numbers.

29. 2025 AP Micro MCQ Q5

Ming and Andreas are the only two employees at a pizza shop where they can either take orders or clean tables. Ming has a comparative advantage over Andreas in taking orders. It must therefore be true that

(A) Ming has a higher opportunity cost for taking orders

(B) Ming has an absolute advantage in taking orders

(C) there is no advantage in specialization for Andreas

(D) Andreas has an absolute advantage in cleaning tables

(E) Andreas has a lower opportunity cost for cleaning tables

30. 2025 AP Micro MCQ Q52

The table below shows the number of labor hours it takes Alpha and Beta to produce a smartphone or a cake with the same resources. If tasks are assigned according to comparative advantage, which of the following is true?

	Smartphone	Cake
Alpha	5 hours	2 hours
Beta	2 hours	1 hour

(A) Alpha will produce both goods.

(B) Beta will produce both goods.

(C) Alpha will produce smartphones and Beta will produce cakes.

(D) Alpha will produce cakes and Beta will produce smartphones.

(E) Alpha has an absolute advantage in producing both goods.