Trade	Chapter 3

Introduction to Comparative Advantage

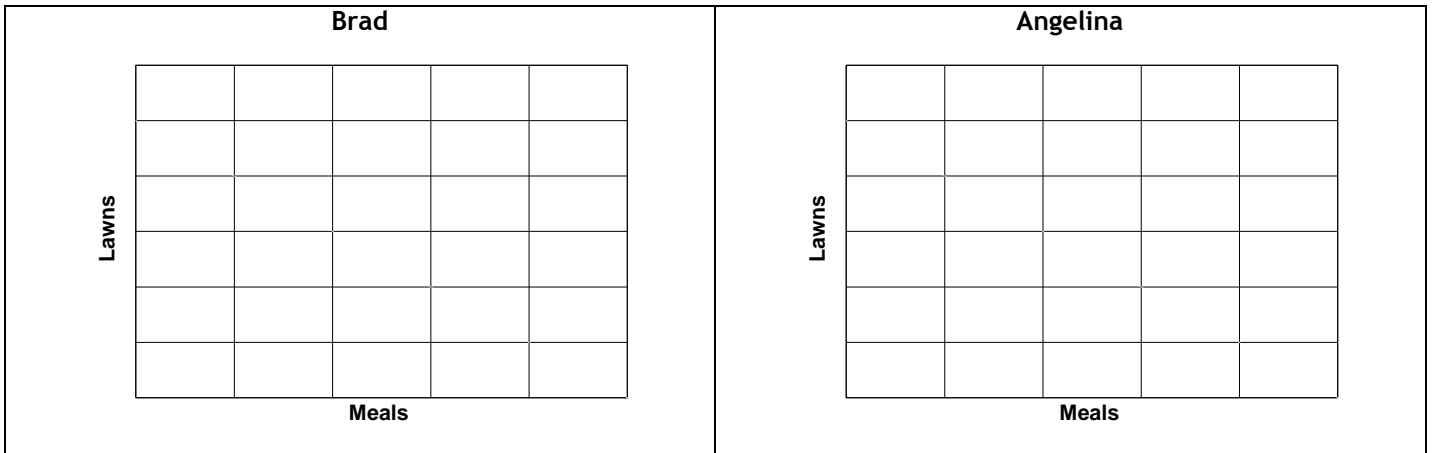| PART ONE:	Part Two:
Brad and Angelina have two tasks to complete. They need to prepare a meal and mow their lawn. They need you help to determine how to divide the tasks and leave themselves leisure time.	*After a while, Brad and Angelina need new careers. They plan to start a lawn service and a catering business.* If they each work one six-hour day, how many meals could each produce in one day? How many yards could each mow in one day? Brad _____ lawns or _____ meals. Angelina _____ lawns or _____ meals.
Take the data from your cards and complete the following: Who is most efficient at meal preparation? Why? Who is most efficient at lawn mowing? Why?	**Using the data above, complete the following:** Who is most efficient at meal preparation? Why? Who is most efficient at lawn mowing? Why
Each time Brad prepares a meal, he gives up how many mowed lawns? Each time Brad mows a lawn, he gives up what portion of a meal preparation?	Each time Brad prepares a meal, he gives up how many mowed lawns? Each time Brad mows a lawn, he gives up what portion of a meal preparation?
When Angelina prepares a meal, she sacrifices how many mowed lawns? When Angelina mows a lawn, she sacrifices what portion of a meal preparation?	When Angelina prepares a meal, she sacrifices how many mowed lawns? When Angelina mows a lawn, she sacrifices what portion of a meal preparation?
Who has the smallest sacrifice when they mow lawns? Who has the smallest sacrifice each time they prepare a meal? What is your conclusion for the division of tasks?	Who has the smallest sacrifice when they mow lawns? Who has the smallest sacrifice each time they prepare a meal? What is your conclusion for the division of tasks for the new businesses?

	Cost to Prepare One Meal	Cost to Mow One Lawn
Brad		
Angelina		

	Cost to Prepare One Meal	Cost to Mow One Lawn
Brad		
Angelina		

Part Three:

Eventually, Brad and Angelina go their separate ways. However, they decide to help each other out and trade business services.

Create Production Possibilities Curves for both Brad and Angelina based on a six-hour workday.

Brad	Angelina
Lawns / Meals	Lawns / Meals

If Brad and Angelina trade one meal preparation for two and one half mowed lawns, will they both benefit? Explain.

Using the above trade, if Brad trades the three meals that he could produce in one day for mowed lawns, how many mowed laws would he receive in return?

If Angelina trades three lawns for meals, how many would she receive in return?

Angelina

360 Minutes to prepare a meal

120 Minutes to mow the lawn

Angelina

360 Minutes to prepare a meal

120 Minutes to mow the lawn

Angelina

360 Minutes to prepare a meal

120 Minutes to mow the lawn

Angelina

360 Minutes to prepare a meal

120 Minutes to mow the lawn

Angelina

360 Minutes to prepare a meal

120 Minutes to mow the lawn

Angelina

360 Minutes to prepare a meal

120 Minutes to mow the lawn

Angelina

360 Minutes to prepare a meal

120 Minutes to mow the lawn

Angelina

360 Minutes to prepare a meal

120 Minutes to mow the lawn

Angelina

360 Minutes to prepare a meal

120 Minutes to mow the lawn

Angelina

360 Minutes to prepare a meal

120 Minutes to mow the lawn

Brad

120 Minutes to prepare a meal

60 Minutes to mow the lawn

Brad

120 Minutes to prepare a meal

60 Minutes to mow the lawn

Brad

120 Minutes to prepare a meal

60 Minutes to mow the lawn

Brad

120 Minutes to prepare a meal

60 Minutes to mow the lawn

Brad

120 Minutes to prepare a meal

60 Minutes to mow the lawn

Brad

120 Minutes to prepare a meal

60 Minutes to mow the lawn

Brad

120 Minutes to prepare a meal

60 Minutes to mow the lawn

Brad

120 Minutes to prepare a meal

60 Minutes to mow the lawn

Brad

120 Minutes to prepare a meal

60 Minutes to mow the lawn

Brad

120 Minutes to prepare a meal

60 Minutes to mow the lawn