

Economics 101  
Summer 2010  
Quiz #1  
6/2/10

Name \_\_\_\_\_

Discussion Section Day and Time \_\_\_\_\_

John and Ben are both stranded on an island and looking for food. There are Boar and Mangos on the island. In a single day John can find 16 mangos or kill 6 boar. Likewise, in a single day Ben can find 3 mangos or kill 4 boar.

1. Who has the absolute advantage in killing boar? \_\_\_\_\_
2. Who has the absolute advantage in finding mangos? \_\_\_\_\_
3. What is the opportunity cost for John to find a mango? \_\_\_\_\_
4. What is the opportunity cost for Ben to kill **TWO** boar? \_\_\_\_\_
5. Who has the comparative advantage in killing boar? \_\_\_\_\_
6. Who has the comparative advantage in finding mangos? \_\_\_\_\_

Suppose now that John and Ben decide to trade Boar for Mangos between each other.

7. Which of the individuals (John or Ben) should specialize in hunting boar and trading it for mango? \_\_\_\_\_
8. Is 1 Mango for 2 Boar a trade that both will agree to? \_\_\_\_\_
9. Is 1 Mango for 1 Boar a trade that both will agree to? \_\_\_\_\_

Now suppose they combine resources and eat together.

10. Is hunting 7 boar and collecting 7 mangos an efficient use of their resources? (Hint: drawing a combined PPF with both individuals working together should help).

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