

Determining Comparative Advantage (Output Method)

	CDs	Pounds of Beef
Japan	4	2
Canada	4	6

1. Which nation has an absolute advantage in producing CDs?
2. Which nation has an absolute advantage in producing beef?
3. Which nation has a comparative advantage in producing CDs?
4. Which nation has a comparative advantage in producing beef?
5. Should Japan specialize in CDs or beef?
6. Should Canada specialize in CDs or beef?