

Econ 101  
**Homework #2**  
(Ying Gao)

1. Chapter 2: Review question 7

2. Chapter 2: Problems and exercises 5

3. Each entry in the following table gives the number of hours it takes a typical worker in the given country to produce one unit of the indicated good. Thus, it takes a worker in Norway two hours to produce one sweater, and four to catch a fish, and so forth.

	<b>Sweaters</b>	<b>Fish</b>
<b>Norway</b>	2 hours	4 hours
<b>Sweden</b>	6 hours	2 hours

- 1) From these data, we can see that Norway has an absolute advantage in producing ( ). At the same time, Sweden has an absolute advantage in producing ( ).
  - a. sweaters
  - b. fish
  - c. both goods
  - d. neither good
  
- 2) From these same data, we can see that the opportunity cost of producing a fish in Norway is \_\_\_\_\_ sweater(s). The opportunity cost of producing a fish in Sweden is \_\_\_\_\_ sweater(s).
  
- 3) From this we can conclude that Sweden has a comparative advantage in producing ( ), while Norway has a comparative advantage in producing ( ).
  - a. sweaters
  - b. fish
  - c. both goods
  - d. neither good