1. Country Alpha uses fewer resources than Country Beta to produce one unit of good X. Does Alpha have a comparative advantage in X?

2. Barney can bake 100 cookies or 10 loaves of bread per hour. Betty can bake 200 cookies or 25 loaves of bread per hour. Who has a comparative advantage in these goods?

3. Using Figure One, will this country export or import, what will the level of imports or exports equal, and what will happen to the country’s CS, PS, and the net gain from exchange?

4. Will a job that requires little training tend to have high or low wages? Consider the impact on both supply and demand for this type of labor.

5. When will a firm test workers for drugs if doing so increases MVP by $X?

6. Using the diagram below, how many lose a job due to the minimum wage ($W_{\text{min}}$), what are the levels of employment and involuntary unemployment? When is one involuntarily unemployed?

7. A firm can lease a robot that lasts for 40 years, has a VMP of $80,000 per year, & costs $150,000 (now) to program. If the opportunity cost of the firm’s funds is 6%, how much could it pay per year & still break even?