

**Matching**

Match the definition in Column A with the term in Column B.

Column A

- _____ Producing at lower opportunity cost than others.
- _____ Focusing on one thing to gain efficiency.
- _____ Worldwide trade connecting national economies together.
- _____ Producing more than another using same resources.
- _____ Making more with fewer resources or time.
- _____ What you give up when choosing something else.

Column B

- a. Absolute advantage
- b. Comparative advantage
- c. Opportunity cost
- d. Specialization
- e. Efficiency
- f. Global economy

Multiple Choice

1. **Two countries, Mapleland and Pineville, both produce skis and snowboards. Mapleland gives up two snowboards to make one pair of skis, and Pineville gives up one snowboard to make one pair of skis. Which country has the comparative advantage?**
 - a. Mapleland, because it gives up more snowboards per ski
 - b. Pineville, because it gives up fewer snowboards per ski
 - c. Mapleland, because it makes skis faster
 - d. Pineville, because it produces more snowboards overall
2. **If Country A can produce 100 phones per day and Country B can produce 60 phones per day with the same resources, which country has the absolute advantage in phone production?**
 - a. Country A, because it produces more phones
 - b. Country B, because it uses fewer workers
 - c. Both, since they can produce phones
 - d. Neither, because the opportunity cost isn't provided
3. **Country X can produce either 8 cars or 4 drones. Country Y can produce either 4 cars or 4 drones. Who has the comparative advantage in producing drones?**
 - a. Country X, because it produces more drones overall
 - b. Country Y, because it gives up fewer cars per drone
 - c. Country X, because its opportunity cost is lower
 - d. Country Y, because it has fewer total resources
4. **Which of the following best describes a feature of the global economy?**
 - a. Countries avoid trade to protect local jobs
 - b. Nations only produce goods they consume themselves
 - c. Countries specialize and trade to increase efficiency
 - d. All goods are produced equally in every country

Application

Trade helps countries get goods more efficiently by allowing them to focus on what they do best. But depending too much on trade, especially for things like medicine, energy, or technology, can be risky during emergencies or conflicts.



Instructions:

- Identify one benefit of trading specialized goods with other countries.
- Identify one reason it's important for a country to be self-sufficient in certain goods.
- Choose one product or resource the U.S. should be self-sufficient in and explain why.

Support your answer with reasons and an example.

Trading to Your Advantage | Answer Key

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Sample Answer Key:

“One benefit of trading specialized goods is that countries can produce what they're best at and trade for other goods they need. This saves time, lowers costs, and increases efficiency overall.

One reason to be self-sufficient is that a country may need access to critical goods during emergencies, like natural disasters, wars, or pandemics. If it depends too much on imports, it could run out of essential supplies.

The U.S. should be self-sufficient in medicine because people's lives depend on it. During COVID-19, there were shortages of masks and medicines because so many were made overseas. It's important to have a reliable supply, even if it costs more to produce at home.”

Guidance for Grading

- Benefit of Trade:** The student identifies efficiency, cost savings, or specialization in their response.
- Reason for Self-Sufficiency:** The student cites a reason such as national security, emergency readiness, or supply risk.
- U.S. Product & Explanation:** The student names a U.S. product and clearly explains why self-sufficiency in that area matters.
 - Response is clear, well-organized, and logically explained.