q2 macro 2015

ANSWER PAGE FOR QUESTION 2 of Country Y has the absolute advantage in producing solar panels 5) The apportunity cost of a furnance in Country 4 is 2 solar proels Country X has the comparitive advantage in producing furnances because their opportunity cost is less. Country X only gives up producing 4/3 of a solar panel where country y loses the of 2 sday panels productil Country X should produce solar panels domestically.

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