

a) Country Y has the absolute advantage in producing solar panels.

b) The opportunity cost of a furnace in Country Y is 2 solar panels.

c) Country X has the comparative advantage in producing furnaces because their opportunity cost is less. Country X only gives up producing $\frac{4}{3}$ of a solar panel where Country Y loses the production of 2 solar panels.

d) Country X should produce solar panels domestically.