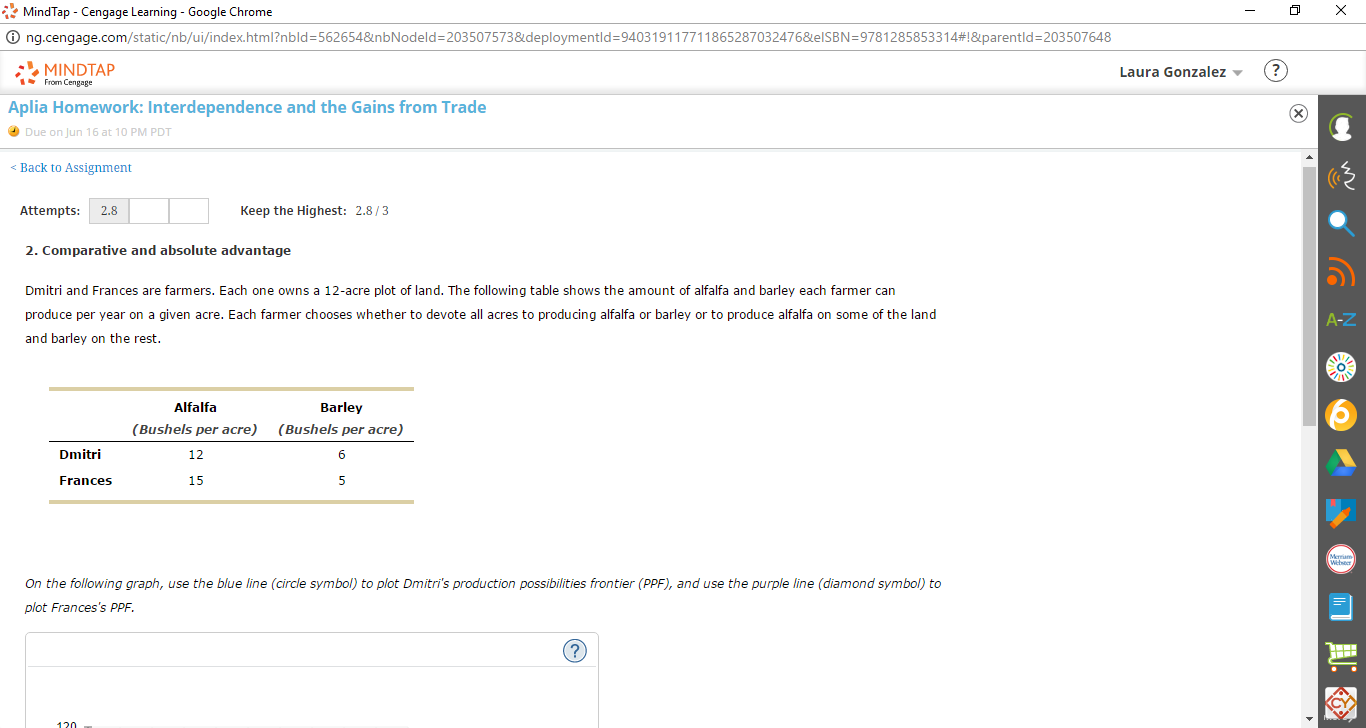
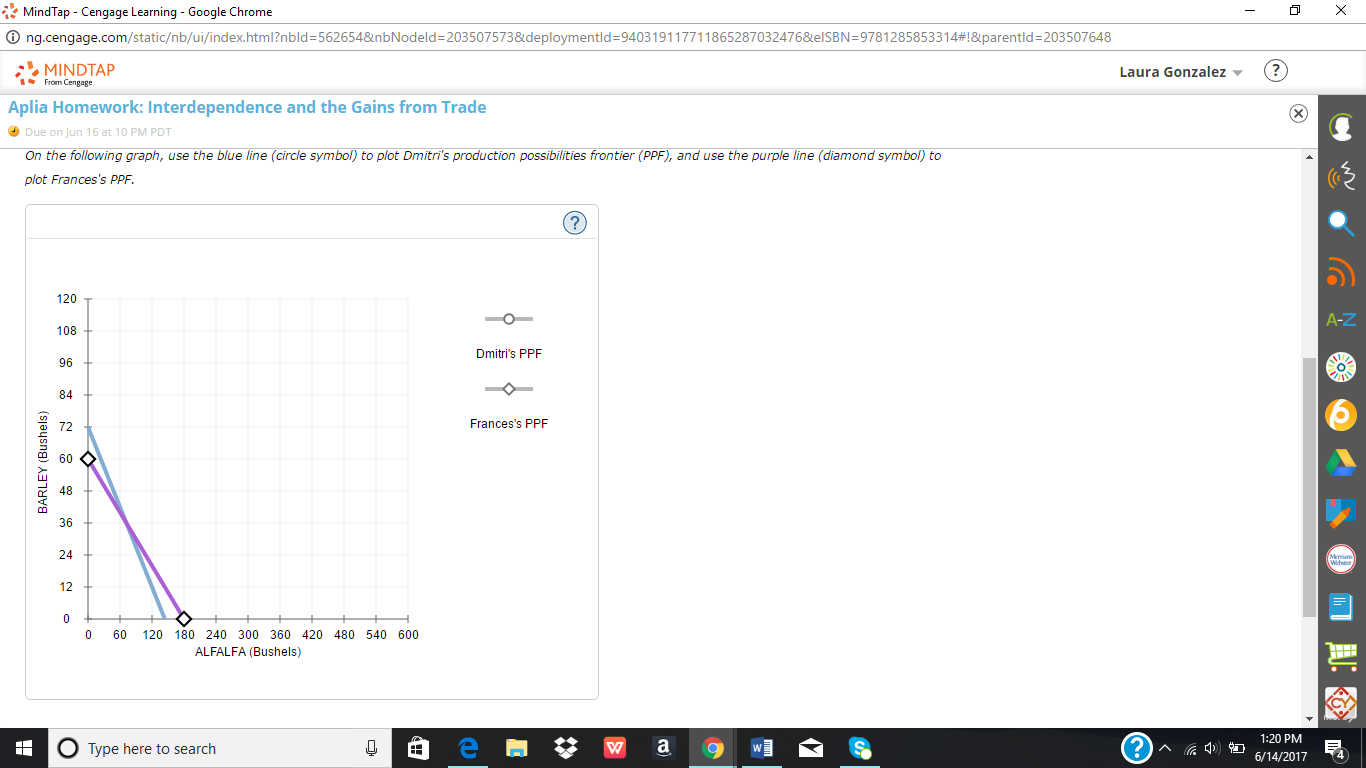
**2. Comparative and absolute advantage**

Dmitri and Frances are farmers. Each one owns a 12-acre plot of land. The following table shows the amount of alfalfa and barley each farmer can produce per year on a given acre. Each farmer chooses whether to devote all acres to producing alfalfa or barley or to produce alfalfa on some of the land and barley on the rest.



*On the following graph, use the blue line (circle symbol) to plot Dmitri's production possibilities frontier (PPF), and use the purple line (diamond symbol) to plot Frances's PPF.*



**(Frances or Dmitri)** has an absolute advantage in the production of alfalfa, and **(Frances or Dmitri**)    has an absolute advantage in the production of barley.

Dmitri's opportunity cost of producing 1 bushel of barley is



bushels of alfalfa, whereas Frances's opportunity cost of producing 1 bushel of barley is



bushels of alfalfa. Because Dmitri has a (**Higher or lower)**opportunity cost of producing barley than Frances, (Frances or Dmitri)  has a comparative advantage in the production of barley, and (**Frances or Dmitri)**   has a comparative advantage in the production of alfalfa.