

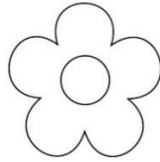


Comparative Advantage and Specialization

Objective: In this activity, students will understand the concept of comparative advantage and explore the benefits of specialization and trade.

Procedure: This activity consists of two rounds.

In the first round, students draw as many flowers as they can with their right hand in 60 seconds. Flowers must look like the picture below:



In the second round, students draw as many trees as they can with their left hand in 60 seconds. Trees must look like the picture below:



Discussion Questions:

1. How many flowers could you draw in 60 seconds?
2. How many trees could you draw in 60 seconds?
3. If only given 60 seconds, should you try to draw both flowers and trees? Why or why not? Which can you produce more of?
4. Which students should draw flowers? Which should draw trees? If you are specializing in flowers, how can you acquire trees?

Model Answers:

1. Presumably, right handed students will be able to draw a considerable amount of flowers in 60 seconds. Far more than any left handed students.
2. Presumably, left handed students will be able to draw a considerable amount of trees in 60 seconds. Far more than any right handed students.
3. Regardless of whether a student is right or left handed, it does not make sense for them to try to draw both flowers and trees in 60 seconds. Students should specialize in which they can produce more of (which they are more productive in), and draw that.
4. Right handed students should draw flowers, and left handed students should draw trees, and then they can trade each other to acquire flowers or trees.

Closure:

Concepts like comparative advantage, specialization, and trade can be difficult concepts to grasp. However, this is how the global economy functions. A country may be able to produce enough t-shirts to clothe its population (just like a student may be able to draw a considerable amount of trees with their left hand), but if another country can produce t-shirts more productively and efficiently, then they should, and those goods can be acquired through trade.