

# Unit One Worksheets

**Activity 1:** List ten major decisions you have made over the past week and determine which ones are economic decisions and which ones are not:

Decision	Economic	Not Economic
1) _____	_____	_____
2) _____	_____	_____
3) _____	_____	_____
4) _____	_____	_____
5) _____	_____	_____
6) _____	_____	_____
7) _____	_____	_____
8) _____	_____	_____
9) _____	_____	_____
10) _____	_____	_____

**Activity 2:** Pick a decision you need to make in the near future and use a cost/benefit analysis to determine the best answer.

Decision to be made: \_\_\_\_\_?

Costs

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Benefits

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# Unit One Worksheets

**Activity 3:** Write a short essay defining the nature of people, are they self-interested or altruistic or somewhere in between? (use back if necessary)

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**Activity 4:** Do you think Americans have consumer sovereignty? Explain why or why not. (use back if necessary)

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**Activity 5:** List the collective goods and services you believe the government ought to provide for the people of the nation.

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## Unit One Worksheets

**Activity 6:** Why do you think private property rights are so important to the development of capitalist economies?

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**Activity 7:** What challenges face nations that are trying to develop strong industrial economies?

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**Activity 8:** After each organization below explain the organization and what its main purpose is.

IMF: \_\_\_\_\_

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World Bank: \_\_\_\_\_

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WTO \_\_\_\_\_

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G8 \_\_\_\_\_

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OECD \_\_\_\_\_

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**Activity 9:** In these international organizations what is the difference between an East-West debate and a North-South debate?

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## Unit One Worksheets

### Activity 10: Absolute Advantage

A. Sara and Kristina are the only healthy survivors of a plane crash on a tropical island. While the others recuperate and await rescue Kristina and Sara need to secure food and water to help everyone survive. Fortunately, there is an ample supply of fresh water right near the camp and there are many eatable fruits on the island and fish in the ocean. Sara and Kristina set out to forage for the fruits and created a make-shift fishing pole to catch the fish. At first, they would fish and forage for food together and would gather 5 pounds of fruit and catch 6 pounds of fish each day. One day Sara suggested that they split up and that she collect the fruit and that Kristina catch the fish. They agreed they would meet back at camp at 5 P.M. to check on those recuperating and feed them dinner. After eight hours of fishing Kristina caught 10 pounds of fish, while Sara collected 14 pounds of fruits. The next day Kristina suggested that they switch jobs and she went gathering fruit while Sara used the fishing pole to fish. That night at dinner they found that Kristina had gathered 18 pounds of fruit, while Sara caught 12 pounds of fish. Let's assume that a pound of fruit is equal to a pound of fish.

1. Complete the table below using the data in the paragraph above assuming they both spend half their time fishing and half their time gathering fruit.

	Fish	Fruit	Total Food
Kristina			
Sara			
Total Food			

2. Complete the table below using the data in the paragraph above assuming they specialize and each woman does what she does best and they trade.

	Fish	Fruit	Total Food
Kristina			
Sara			
Total Food			

3. Based on the data above: Who has an absolute advantage in fishing? Who has an absolute advantage in gathering fruit?

Fishing \_\_\_\_\_ Fruit \_\_\_\_\_

4. Should they continue to work separately or go back to gathering and fishing together?

5. Why is there an advantage to these women specializing and trading?

## Unit One Worksheets

### Activity 11: Comparative Advantage

B. It has been two weeks since Kristina, Sara and the others became marooned on the island. After several days of picking fruit and fishing, the fruit is becoming harder to find and so are the fish. The whole camp is still sick and desperate for rescue and growing very tired of a diet of fish, guava, kiwi and mangos. The two healthy women decide to switch jobs as each is coming back to dinner with fewer pounds of food each day. Kristina went fishing and caught 8 pounds of fish and Sara found 4 pounds of fruit. The next day they decided to have Sara fish and Kristina look for fruit. Kristina was able to bring back to camp 6 pounds of fruit and Sara caught 4 pounds of fish.

1. Complete the table below using the data in paragraph B assuming they both spend half their time fishing and half their time gathering fruit.

	Fish	Fruit	Total Food
Kristina			
Sara			
Total Food			

2. Complete the table below using the data in paragraph B assuming they specialize and each woman does what she does best and they trade.

	Fish	Fruit	Total Food
Kristina			
Sara			
Total Food			

3. Based on the data above: Who has an absolute advantage in fishing? Who has an absolute advantage in gathering fruit?

Fishing \_\_\_\_\_ Fruit \_\_\_\_\_

4. Based on the data above in paragraph B: Who has a comparative advantage in fishing? Who has a comparative advantage in gathering fruit? (in other words who should fish and who should gather fruit?)

Fishing \_\_\_\_\_ Fruit \_\_\_\_\_

5. Should Kristina and Sara continue to specialize and trade? Why?