Turn this one in and have a safe Spring Break

Amount of Days to make 1 unit of each

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| --- | --- | --- |
| Countries | Hammers | Infinity Stones |
| Titan | 40 | 40 |
| Asgard | 10 | 30 |

Using equal amounts of resources, the countries of Titan and Asgard can each produce any combination of hammers and infinity stones described by the table above.

1. Which country has an absolute advantage in the production of hammers?
2. Which country has the comparative advantage in infinity stones? Explain
3. With trade between these two countries, which country will export infinity stones? Explain
4. Give an example of terms of trade acceptable to both countries
5. Assume the value of Asgard currency depreciated, What can we say will happen to their export? (increase or decrease)
6. Assuming Asgard is at full employment, draw the impact of ( e) on a Aggregate supply and Aggregate Demand graph. Show what will happen to
   1. PL
   2. Y
7. On a SRPC graph show the impact on Inflation and unemployment

Hints: input problem/ Nx = export- import