Use this diagram to answer questions 1-4.

1. If the economy is operating at point C, the opportunity cost of producing an additional 15 units of bacon is
   a. 10 units of eggs
   b. 20 units of eggs
   c. 30 units of eggs
   d. 40 units of eggs
   e. 50 units of eggs

2. If the economy were operating at point E
   a. the opportunity cost of 20 additional units of eggs is 10 units of bacon.
   b. the opportunity cost of 20 additional units of eggs is 20 units of bacon.
   c. the opportunity cost of 20 additional units of eggs is 30 units of bacon.
   d. 20 additional units of eggs can be produced with no impact on bacon production.

3. Point F represents
   a. a combination of production that can be reached if we reduce the product of eggs by 20 units.
   b. a combination of production that is inefficient because there are unemployed resources.
   c. a combination of production that can be reached if there is a sufficient advance in technology.
   d. none of the above.

4. As we move from point A to point D
   a. the opportunity cost of eggs in terms of bacon is constant.
   b. the opportunity cost of eggs in terms of bacon falls.
   c. the opportunity cost of eggs in terms of bacon rises.
   d. the economy becomes more efficient.
   e. the economy becomes less efficient.
Use the following information to answer questions 5-13

Suppose a worker in Germany can produce 15 computers or 5 tons of grain per month. Suppose a worker in Poland can produce 4 computers or 4 tons of grain per month. For simplicity, assume that each country only has one worker.

5. Fill in the following table:

<table>
<thead>
<tr>
<th></th>
<th>Computers</th>
<th>Grain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. What is the opportunity cost of a computer in Germany?

7. What is the opportunity cost of a computer in Poland?

8. What is the opportunity cost of a ton of grain in Germany?

9. What is the opportunity cost of a ton of grain in Poland?

10. Who has the absolute advantage in producing computers? Why?

11. Which country has the comparative advantage in producing computers? Why?

12. Which country has the comparative advantage in producing grain? Why?

13. What is the range of prices for computers for which both countries would benefit?