Trade + Comparative Advantage

Nations gain by specializing where they give up the least, then trading for the rest.

Name: _____ Date: _____

OBJECTIVE

Explain how comparative advantage makes trade beneficial, evaluate the costs and benefits of trade barriers, and describe Georgia's role in the international economy.

1. Find the comparative advantage

Two countries can each make shirts or laptops. Hours needed per unit:

Country	Hours per shirt	Hours per laptop
Vasa	2	10
Rell	4	8

Vasa's opportunity cost of 1 laptop = ___ shirts. Rell's opportunity cost of 1 laptop = ___ shirts.

Which country should specialize in laptops? _____ In shirts? _____

2. Trade barriers: who wins, who loses?

Barrier	Helps	Hurts
Tariff (tax on imports)		
Import quota (limit on quantity)		

3. Georgia's role in world trade

- [ ] The ports of Savannah and Brunswick move goods in and out of the Southeast
- [ ] The Northeast Georgia inland port connects rail freight to the coast
- [ ] Multinational corporations operate manufacturing and logistics hubs in the state
- [ ] Trade supports a large share of Georgia jobs, directly and indirectly

DISCUSS

Structured class debate: half the room argues FOR trade barriers on a specific industry (protecting domestic jobs), half argues AGAINST (the cost to consumers). Each side gets one uninterrupted minute, then open the floor.

4. Give one argument FOR trade barriers (protecting a domestic industry) and one AGAINST them (cost to consumers).

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