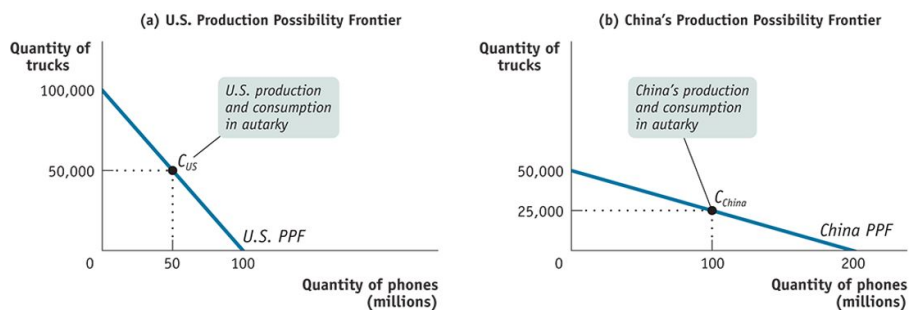


EC 201: Principles of Macroeconomics

In class exercise 5

March 1, 2022

Look at the below graph and answer the following questions. Give economic reasons behind your arguments.



1. U.S. Opportunity cost for Trucks
2. U.S. opportunity cost for phones
3. China Opportunity cost for Trucks
4. China opportunity cost for phones
5. What should U.S. specialize in producing? Why?
6. What should China specialize in producing? Why?