13-Trade-Part-1

1 What gives rise to differences in comparative advantage between countries?

- A Differences in endowments
- B Differences in technologies
- C Differences in preferences
- [x] All three

2 The source of gains from trade: What constraint on the general equilibrium (Edgeworth box) problem does trade relax?

- A Marginal rate of substitution among consumers equated
- B No trading party (country) made worse off relative to the initial endowment
- C No excess demand or supply of any good
- [x] Domestic consumption possibilities are bounded by the Edgeworth box