

CONCEPT: SOURCES OF COMPARATIVE ADVANTAGE

- Comparative advantage in production of a good can be affected by various factors:

☐ ***Differences in Climate***

Costa Rica	United Kingdom
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☐ ***Differences in Domestic Factors of Production***

Canada	Iraq
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☐ ***Differences in Amounts of Labor and Capital***

USA	China
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☐ ***Differences in Technology***

USA	Japan
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☐ ***External Economies*** – a geographical advantage due to the location of an industry

Southern California	London
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