

### Division of labor

Sandy and Mike are preparing for a party. They want to make as many muffins and sandwiches as possible for their guests. They have one hour to prepare the food before their guests will arrive.



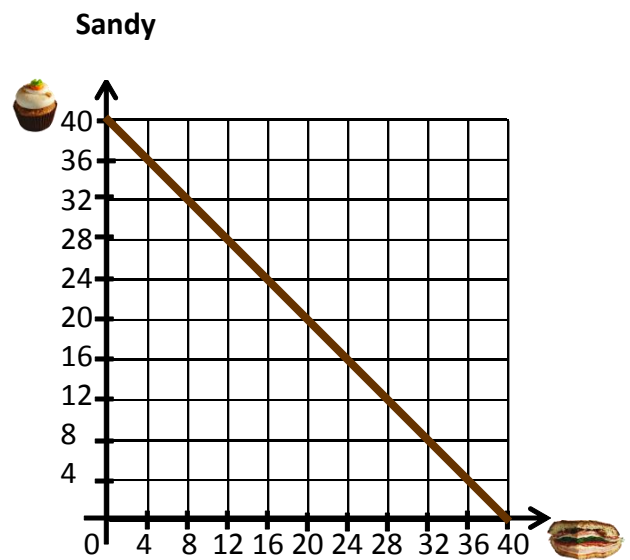
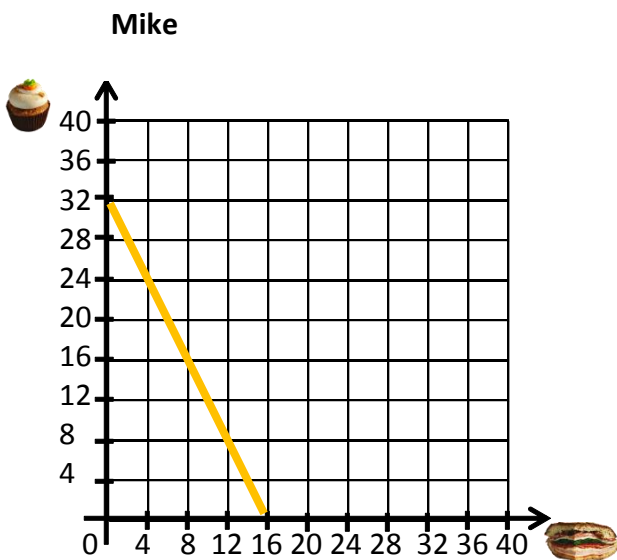
Watch the video and fill in the questions and answers!

Link: <https://edpuzzle.com/media/59c4f49877e80440091f9ac1>

**Question 1: How should Mike and Sandy split the work?**

Individuelle Lösungen

**Question 2: Which production possibilities do they have? Plot the graphs.**





**Production possibility curves**

**Production possibility curve (PPC):** This curve shows the various possible combinations of two different goods that can be produced by one person in a given time if he/she works at his / her maximum capacity.

**Question 3: Who is better at making muffins? Who is better at making sandwiches?**


	maximum amount of muffins	maximum amount of sandwiches
<b>Mike</b>	32	16
<b>Sandy</b>	40	40
<b>absolute advantage for</b>	Sandy	Sandy


**Question 4: How much can they produce in total with the combination given in the video?**

Example	Mike	Sandy	$\Sigma$
 Muffins	8	28	36
 Sandwiches	16	12	28

**Question 5: Calculate the opportunity costs for the production of sandwiches.**

Opportunity costs for producing only...	Mike	Sandy
 Muffins	1/2	1
 Sandwiches	2	1
Comparative advantage in the production of	Muffins	Sandwiches

 The **opportunity costs** of production indicate how many units of one good must be given up so that one unit of another good can be produced instead.

 **Comparative advantage** means that a person (or economy) can produce something at lower opportunity costs than anyone else. This person or economy has a comparative advantage in the production of this good.

**Question 6: How many snacks can Mike and Sandy produce in total if they specialize?**

	Mike	Sandy	$\Sigma$
 Muffins	32	0	32
 Sandwiches	0	40	40

**Question 7: How should Mike and Sandy split the work? Give reasons for your answer.**

**Mike should produce Muffins and Sandy should produce sandwiches, because Mike has the lower opportunity costs for the production of muffins and Sandy for the production of sandwiches. So, in total, they will have more food.**

Quellen:  
 Muffin: <https://pixabay.com/de/cupcake-kleiner-kuchen-dessert-2724786/>; Lizenz: [CC0](https://creativecommons.org/licenses/by/4.0/)  
 Sandwich: <https://pixabay.com/de/sandwich-burger-belegtes-brot-brot-2659331/>; Lizenz: [CC0](https://creativecommons.org/licenses/by/4.0/)  
 Notiz mit Ausrufezeichen: <https://openclipart.org/detail/286089/exclamation-mark>; Lizenz: [CC0](https://creativecommons.org/licenses/by/4.0/)