

ACTIVITY 6.5 GONDWANANS WORKSHEET

PART 1. Production

A. Turn your production cards so that every hour is spent making rugs. What is the total number of rugs you could produce in six hours? ____ If you produced this many rugs, how many pizzas could you produce? ____ Write these two numbers in Column 6 of the table below. (Ignore the third row for now.)

B. Turn over ONE of your production cards. How many rugs and pizzas could you produce if you used your time this way? ____ rugs and ____ pizzas. Write these numbers in Column 5 of the table below.

C. Continue turning over the other production cards to the pizza side, one at a time. Each time, record in the table the number of rugs and pizzas you could produce.

Hours spent producing rugs	6	5	4	3	2	1	0
Number of rugs							
Number of pizzas (without trade)							
Number of pizzas (with trade)							

PART 2. Production Possibilities

Consider each of the combinations of rugs and pizzas below. Write “yes” next to the combinations that are possible for you to produce in six hours and “no” next to those that are not possible. Use your cards or the table above to help you decide.

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|------------------------------------|------------------------------------|
| D. ____ 4 rugs and 1 pizza | G. ____ 1 rug and 2 pizzas |
| E. ____ 0 rugs and 5 pizzas | H. ____ 4 rugs and 3 pizzas |
| F. ____ 2 rugs and 4 pizzas | I. ____ 2 rugs and 2 pizzas |

PART 3. Opportunity Cost

The opportunity cost of a decision is the highest-valued alternative you give up. In other words, the opportunity cost of doing something is what you must give up to do it. Turn your production cards over one at a time and answer the following questions.

- J.** What is the opportunity cost of producing half a pizza? _____
- K.** What is the opportunity cost of producing one pizza? _____
- L.** What is the opportunity cost of producing one rug? _____

PART 4. Gains From Trade

M. Assume that you specialize in producing rugs and can trade for pizzas at the rate of one rug for one pizza. In the third row of the table in Part 1, write the number of pizzas it would now be possible for you to have with each amount of rugs listed.

N. Return to Part 2 and identify which combinations of rugs and pizzas it is now possible for you to have that were not possible before trading. _____