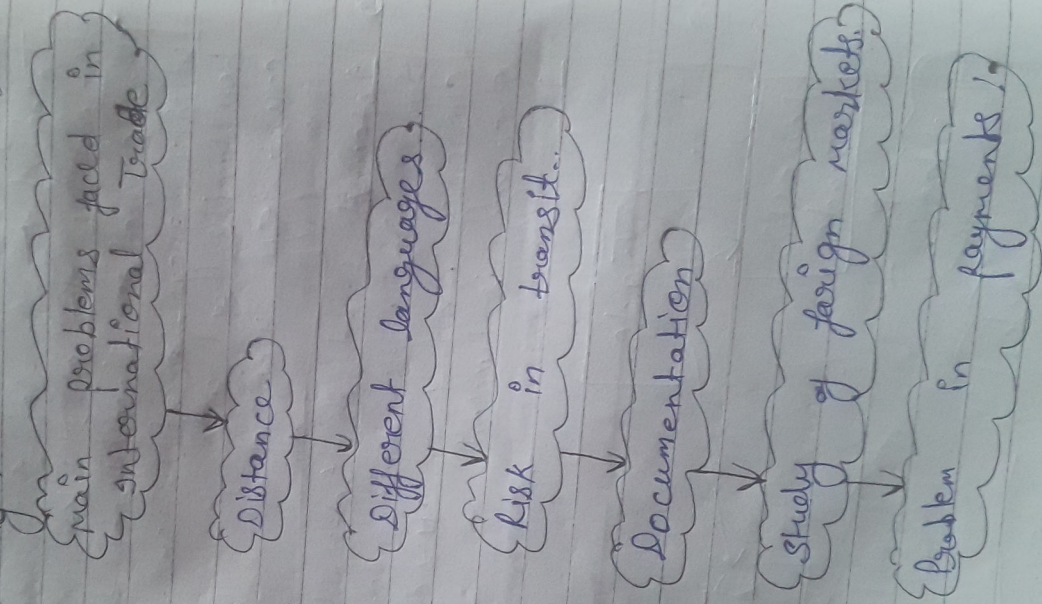


Q. Describe the main problems are faced in international trade what is the conclusion of Comparative cost advantages of Trading?



Conclusion of the theory of comparative advantages of

The main conclusion of the theory of comparative advantages is that countries can gain always from trade because what matters are comparative advantages and not absolute advantages. Absolute advantage is a country's ability to produce a good using fewer resources than another.

Conclusion

- Theory of comparative advantages is governmentally accepted.
- Comparative advantages are determined by differences in opportunity costs.
- Trade, ultimately, is decided by opportunity costs.