The theory of “Comparative Advantage”, postulated by the 19th Century English economist David Ricardo, constitutes one of the workhorses of international economics. It is, in words of Paul Krugman, “… [a] truly, madly, deeply, difficult [idea]. But it is also utterly true, immensely sophisticated—and extremely relevant to the modern world” (Paul Krugman, “Ricardo’s Difficult Idea” pp 9).

Read the article “Ricardo’s Difficult Idea” and report the following:

1. Write a summary of the article (2-3 short paragraphs)
2. Briefly discuss the three implicit assumptions, according with the article, upon which the Ricardian model is constructed.

To get full credit, responses must be worked individually.