

Marketing game

[Business](#), [Marketing](#)



The Heckscher-Ohlin's theory explains how two countries benefit from trade engagement with each other in a situation where they have a variety of different resources. One of the countries may be labor intensive while the other is capital intensive. The labor intensive country will enjoy benefits associated with comparative advantage. In this game, you are supposed to make your own island.

The main role as a ruler of the island will be to make it prosper and grow through trading. You are also supposed to relate and engage with other islands in international trade so that you can achieve your goal. Answer 1 My Pink Island had more labor than capital. In this theory, it is argued that, when the difference is great in capital and labor of the countries that means there is a big gain from practice of trading.

Answer 2 I selected this Pink country because it has more labor than my trading partner. When you specialize in producing and subsequent trading with the other countries, there is a higher possibility of getting more income.

Answer 3 Trading partner of the Green Island had more capital than labor. The country benefited as a result of trading internationally and specialization. Olin argues that not all members in a country gain from specialization, for example, the capitalists.

In case of hiring more workers and reducing capital to produce goods, it will result to increase in wages and a lower income to the capitalists. Answer 4 I selected this trading partner so that we can trade and gain. After the production, trade would take place and then evaluate the results. Answer 5 my cell phones for 4 Jeans from my trading partner. This caused the welfare

to increase, and people celebrated. My goal was to produce with the motive of trading to maximize welfare. Through trade, both countries benefited.