**Comparative advantage**

**There are two types of advantage:**

I. Absolute advantage. II. Relative advantage.

**Absolute advantage:-**

The word absolute is a latrine word which means “make separate”

Absolute advantage shows that which country more productive than other.

Absolute has some units of counts.

Absolute is the total of all existence.

**Example:-**

Consider the simple example of two good’s.

a) Computer

b) Car

**Country computer cars**

Country A 35 21

Country B 30 6

From the table we can see that country A has productive (advantage) than country B.

If there is a minute difference between two productive values than we subtract the producing values.

**Relative advantage:**

Relative advantage shows how much one country more productive than other.

It tells us that something depend upon external conditions for its specific nature.

Relative is a unit less quantity.

It refers to the ratio.

**Example:-**

Consider the simple example of two good’s.a) Computer b) Car’s

**Country computer car**

Country A 35 21

Country B 30 6

From the table we can see that country A has productive (advantage) than country B.

If there is a minute difference between two productive values than we subtract the producing values.

If we want to calculate the relative advantage than we find out the ratio between the productive values. Computer=35/30 =1.17 cars =21/6 =3.5

This shows that country A is 3.5 times better at computer and 1.17 times better at cars.

**Summarized:**

Absolute advantage tells us that country A has more advantage than country B.

And relative advantage tells us that how much country A has advantage than country B.

So in comparative advantage relative advantage is more useful.

**Perception**

**Definition:-**

The process through which brain organize and interpret the sensory information is called perception.

Perception is a process through which people are aware of objects and events in the external world.

**Jerome symour bruner:-**

Jerome bruner (October 1, 1915-june5, 2016) was an American psychologist.

He made significant contributions to human cognitive psychology and cognitive learning theory in educational psychology

Jerome bruner give the three stages of perception

1. Indicate the problem

2. Gathering the information

3. Finalization

a) Indicate the problem

* We encounter an unfamiliar target.
* We want to learn more about target.

b) Gathering information

* In second step we try to get more information about the target.
* Gradually we encounter the some familiar ideas/hints which help us to categorize the target.

c) Finalization

* At this stage ideas/hints become selective.
* We try to search more ideas/hints that conform the categorization of the target.
* When our perception become more selective and clear we finally pant the picture of target.