

BENEFITS FROM SPECIALIZATION AND TRADE IN AN OFFICE

Suppose that Kelly and Debbie work in the same office. Kelly happened to be more able than Debbie at both typing and at filing letters--the two things their jobs entail. But they share equally in one complaint: the boss is a taskmaster. Every day, the typing and filing assignments that he gives them occupy the entire eight hours that they are at work. There is no time for lunch, no time for a coffee break. They are both fed up. Do you think that you can help them find some time for a coffee break? Perhaps the law of comparative advantage that you are familiar with can be used to reallocate or reassign their daily work loads in such a way that each one of them can take a coffee break. Kelly won't be exploiting Debbie, since they both get coffee breaks; and even though Debbie does everything more slowly than Kelly, it will be in Kelly's interest to let Debbie do some of her work.

The following table describes their abilities.

PRODUCTIVITY IN THE OFFICE		
	TYPING	LETTER FILING
Kelly	90 words per minute	2 letters per minute
Debbie	60 words per minute	1 letter per minute

The daily work assignments in the office are:

	TYPING	LETTER FILING
Kelly	18,000 words	560 letters
Debbie	18,000 words	180 letters

Kelly's daily assignments will fully occupy her day;
 $(18,000 : 90) + (560 : 2) = 480 \text{ minutes} = 8 \text{ hours}$

Debbie's daily assignment will fully occupy her day:
 $(18,000 : 60) + (180 : 1) = 480 \text{ minutes} = 8 \text{ hours}$