

Free trade price	Production & wages		Gains from trade?	
	Home	Foreign	Home	Foreign
Home's opportunity cost $\left(\frac{P_C}{P_W}\right)^A = \frac{a_{LC}}{a_{LW}} = \frac{P_C}{P_W} < \frac{a_{LC}^*}{a_{LW}^*} = \left(\frac{P_C}{P_W}\right)^{A^*}$	Cheese & wine $w_C = w_W$	Only wine $w_C^* < w_W^*$	Indifferent	Yes
Strictly in between $\left(\frac{P_C}{P_W}\right)^A = \frac{a_{LC}}{a_{LW}} < \frac{P_C}{P_W} < \frac{a_{LC}^*}{a_{LW}^*} = \left(\frac{P_C}{P_W}\right)^{A^*}$	Only cheese $w_C > w_W$		Yes	
Foreign's opportunity cost $\left(\frac{P_C}{P_W}\right)^A = \frac{a_{LC}}{a_{LW}} < \frac{P_C}{P_W} = \frac{a_{LC}^*}{a_{LW}^*} = \left(\frac{P_C}{P_W}\right)^{A^*}$		Cheese & wine $w_C^* = w_W^*$		Indifferent

Gains from trade: Provided that, and to the extent that, the free trade relative price differs from a country's opportunity cost (its autarky relative price), the country gains from trade. If free trade relative price equals a country's opportunity cost (its autarky relative price), the country is indifferent to trade.

Trade: Each country exports its comparative advantage good and imports the other good.