

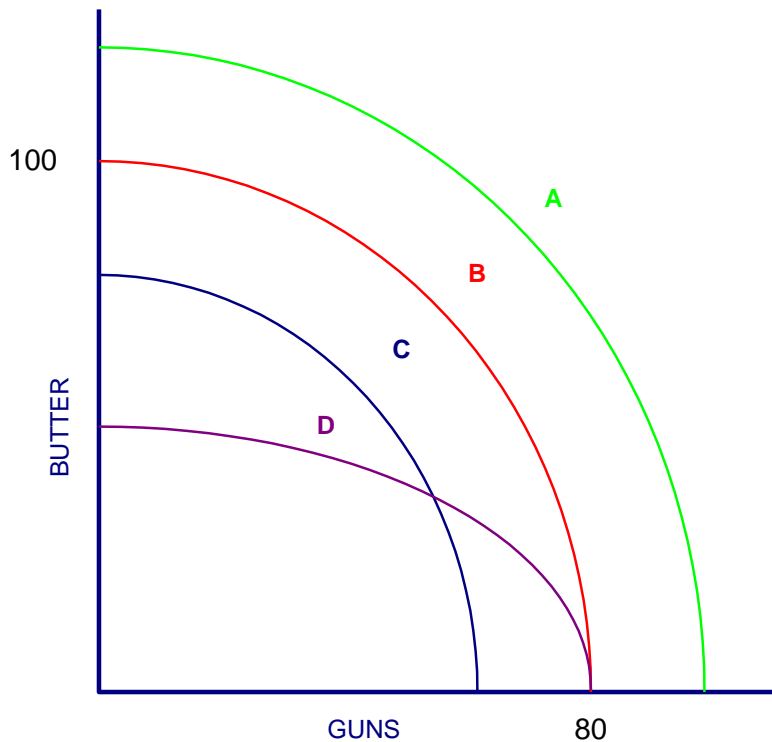
# Economics Honors

## Production Possibilities Curves (PPC)

Name: \_\_\_\_\_ Date: \_\_\_\_\_ Period: \_\_\_\_\_

Commodity	A	B	C	D	E
BUTTER	100	75	50	25	0
GUNS	0	30	55	70	80

1. What is the opportunity cost for **GUNS** from the **economy** moving from point C to D? \_\_\_\_\_
2. What is the opportunity cost for **BUTTER** from the **economy** moving from point C to B? \_\_\_\_\_
3. Does **GUN** production exhibit increasing, decreasing or constant per-unit opportunity costs? (circle one)
4. Does **BUTTER** production exhibit increasing, decreasing or constant per-unit opportunity costs? (circle one)



5. \_\_\_\_\_ Which of the following lines represents the PPC depicted in the table above?
6. \_\_\_\_\_ Which line would represent the PPC if many dairy cows contract Mad Cow Disease
7. \_\_\_\_\_ Which line would represent the PPC if the economy's resources are depleted by war?
8. \_\_\_\_\_ Which line would represent the PPC if technology improves both the production of butter and the manufacture of guns?
9. \_\_\_\_\_ What are the Factors of Production?
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_
  - d. \_\_\_\_\_
10. Given limited resources, what can increase output of a given good all things being equal (*ceteris paribus*).

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