

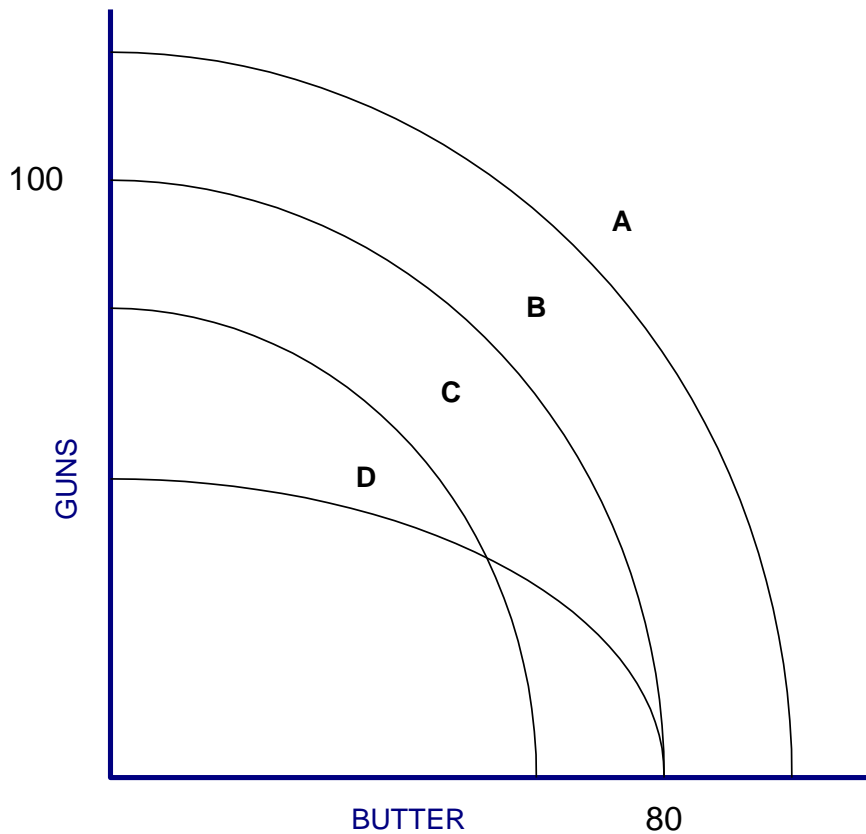
Economics Honors

Production Possibilities

Name: _____ Date: _____ Period: _____

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

1. What is the opportunity cost in GUNS from the economy moving from point C to D? _____
2. Does GUN production exhibit increasing, decreasing or constant per-unit opportunity costs? (circle one)



3. _____ Which of the following lines represents the PPC depicted in the table above?

4. _____ Which line would represent the PPC if many dairy cows contract Mad Cow Disease
5. _____ Which line would represent the PPC if the economy's resources are depleted by war?
6. _____ Which line would represent the PPC if technology improves both the production of butter and the manufacture of guns?