

A decorative graphic consisting of a grid of circles. The top two rows each contain three yellow circles. The third row contains five yellow circles. The bottom row contains one blue circle on the right side.

# **Production possibility curve**

**Microeconomics - year10**

# Agenda

Drive growth of monthly sales volume of purchases

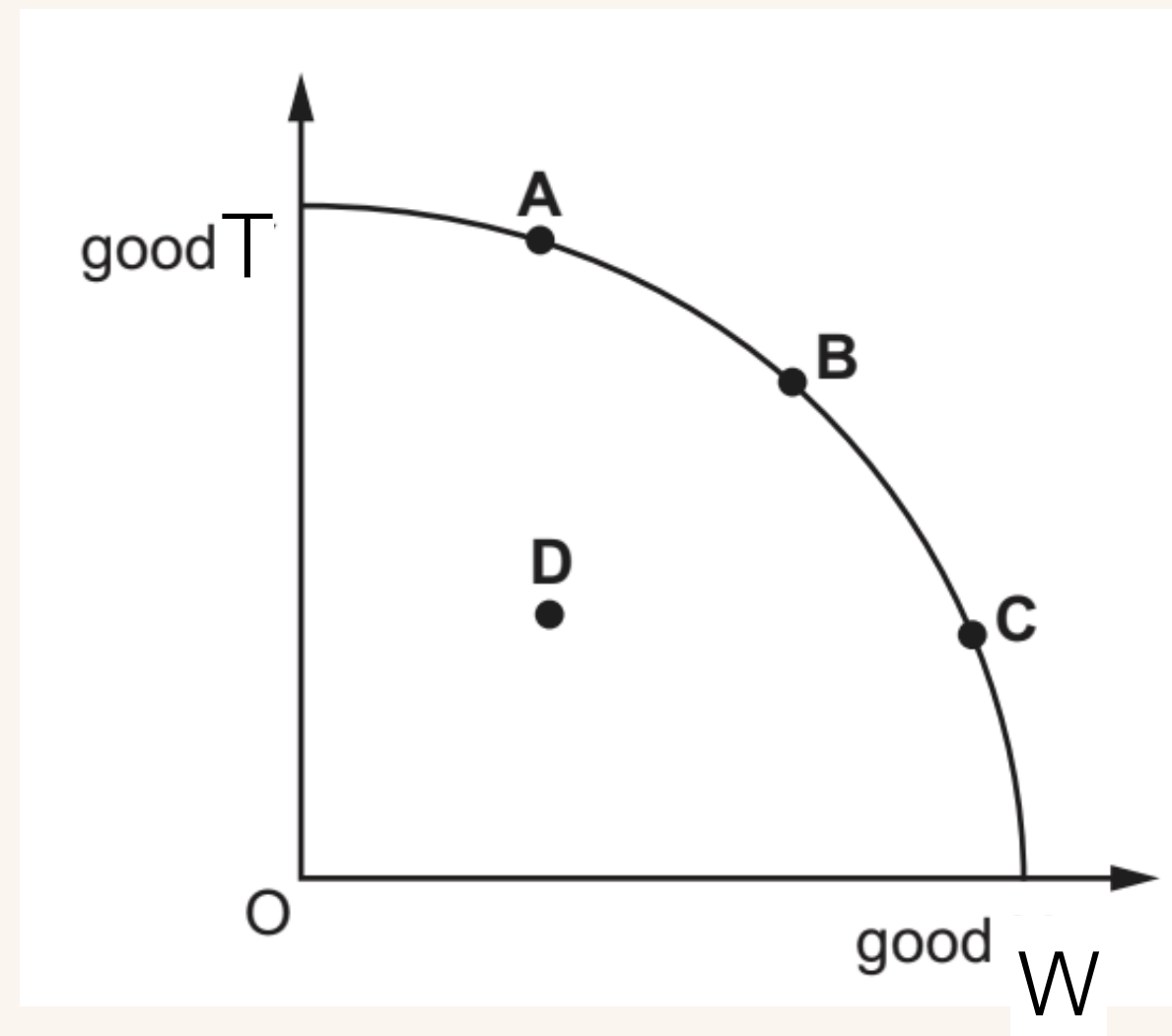
- Multiple choice
- Essay

Be the most desirable brand



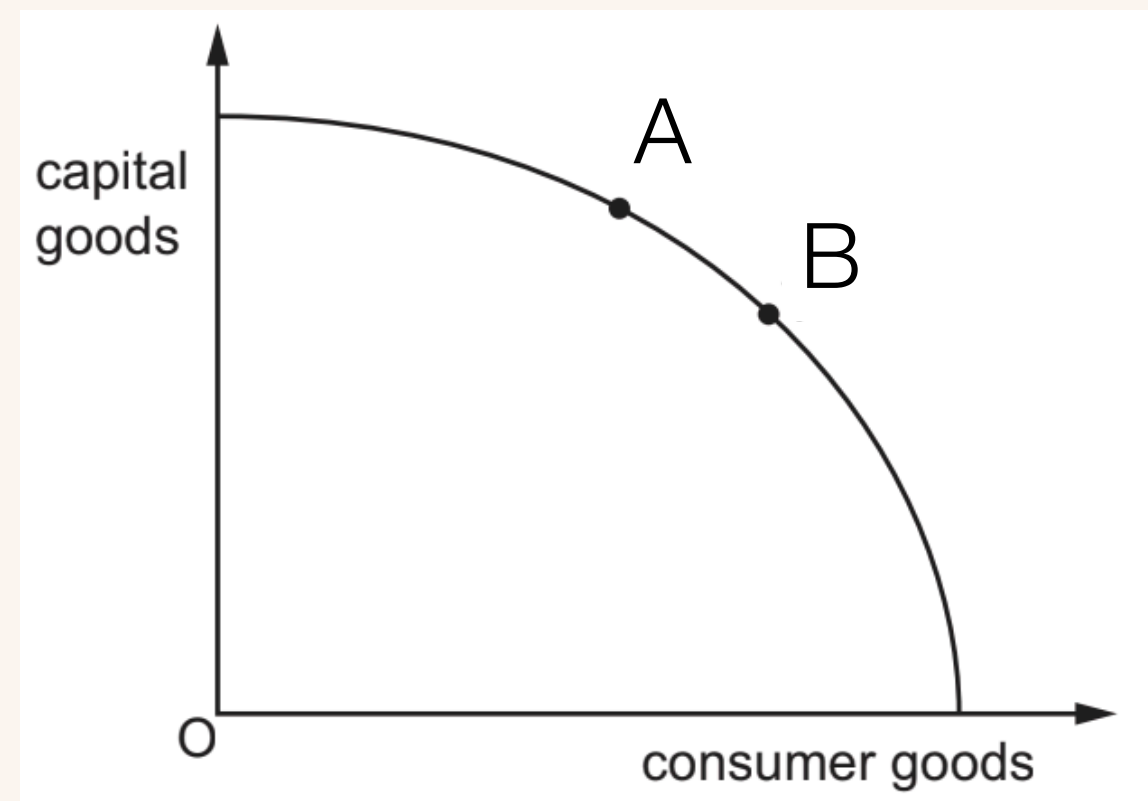
# Part1-Multiple choice

1. The diagram shows a production possibility curve (PPC) for an economy that produces two goods, W and T. Which point shows the greatest opportunity cost of producing one more unit of good W ?



# Part1-Multiple choice

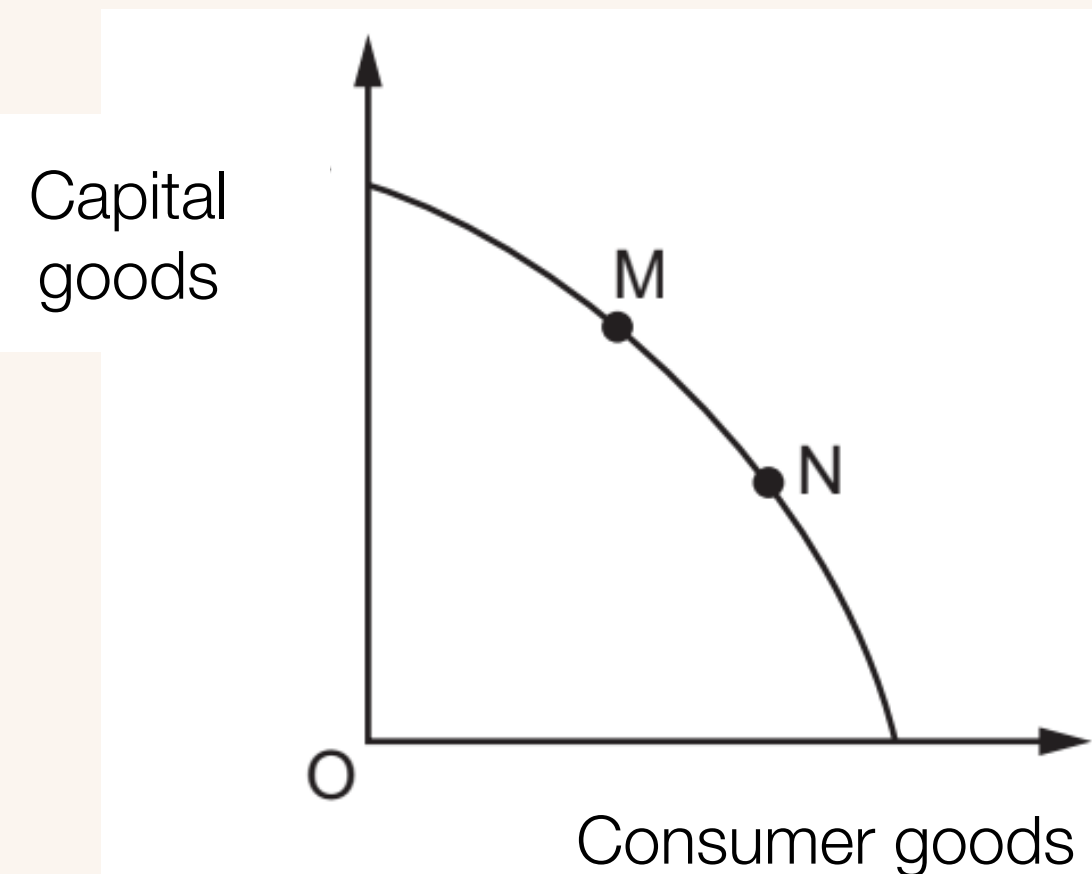
2. The diagram shows the production possibility curve (PPC) for an economy. What type of cost is incurred as the economy moves from point A to point B along its Production Possibility Curve (PPC)?”



- A. the opportunity cost of producing more capital goods
- B. the opportunity cost of producing more consumer goods
- C. the private cost of producing more capital goods
- D. the private cost of producing more consumer goods

# Part1-Multiple choice

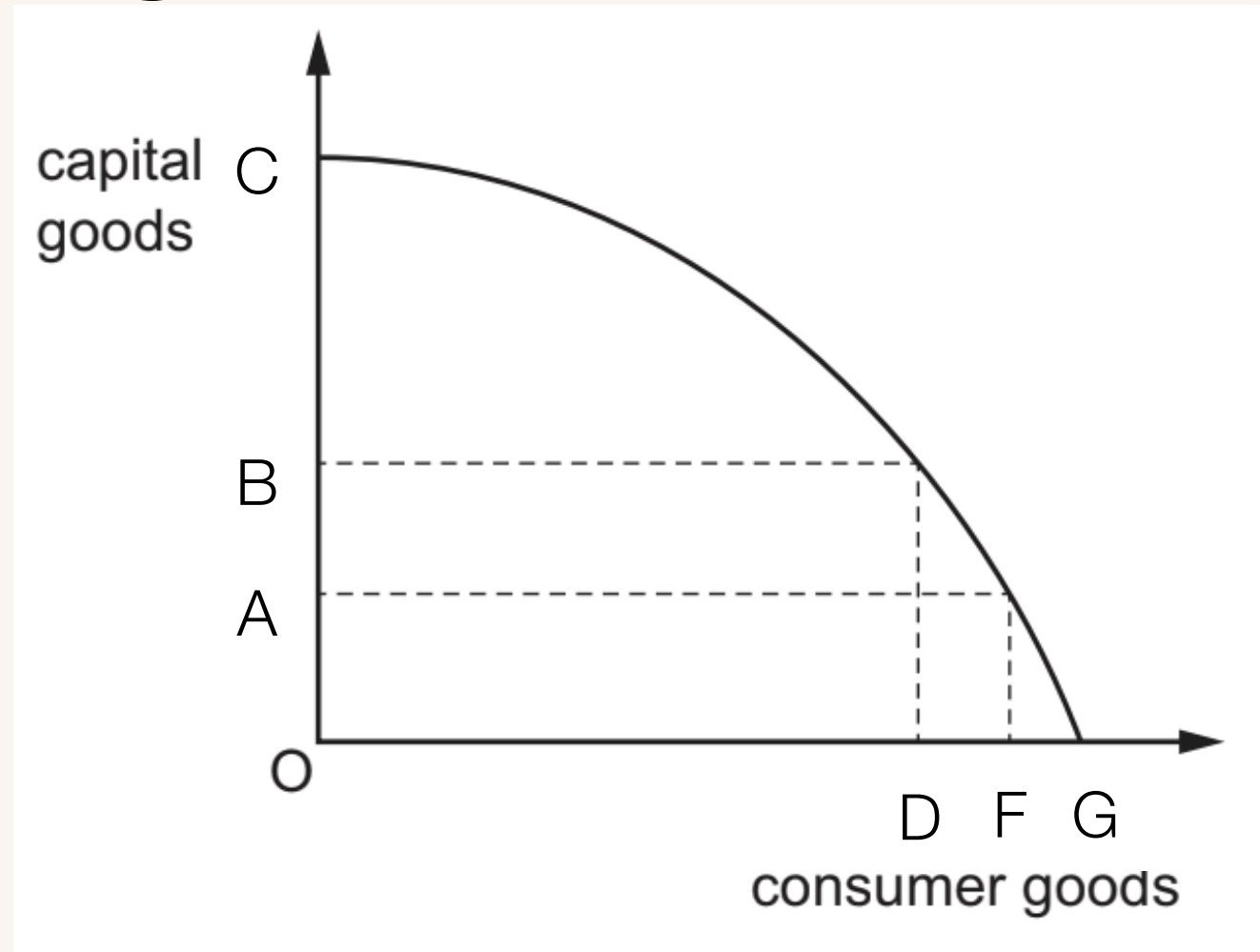
3. The diagram shows a production possibility curve (PPC) for an economy. What is the reason for the economy moving from point M to point N?



- A) decreased unemployment in industries producing consumer goods
- B) improvement in technology used to produce capital goods
- C) increased productivity of workers producing consumer goods
- D) increased resource allocation to the production of consumer goods

# Part1-Multiple choice

4.The diagram shows a country's production possibility curve (PPC). Which combination of capital and consumer goods, if chosen, would lead to the highest production of consumer goods in the future?



A. O to G.

B. O to C

C. B to D

D. A to F

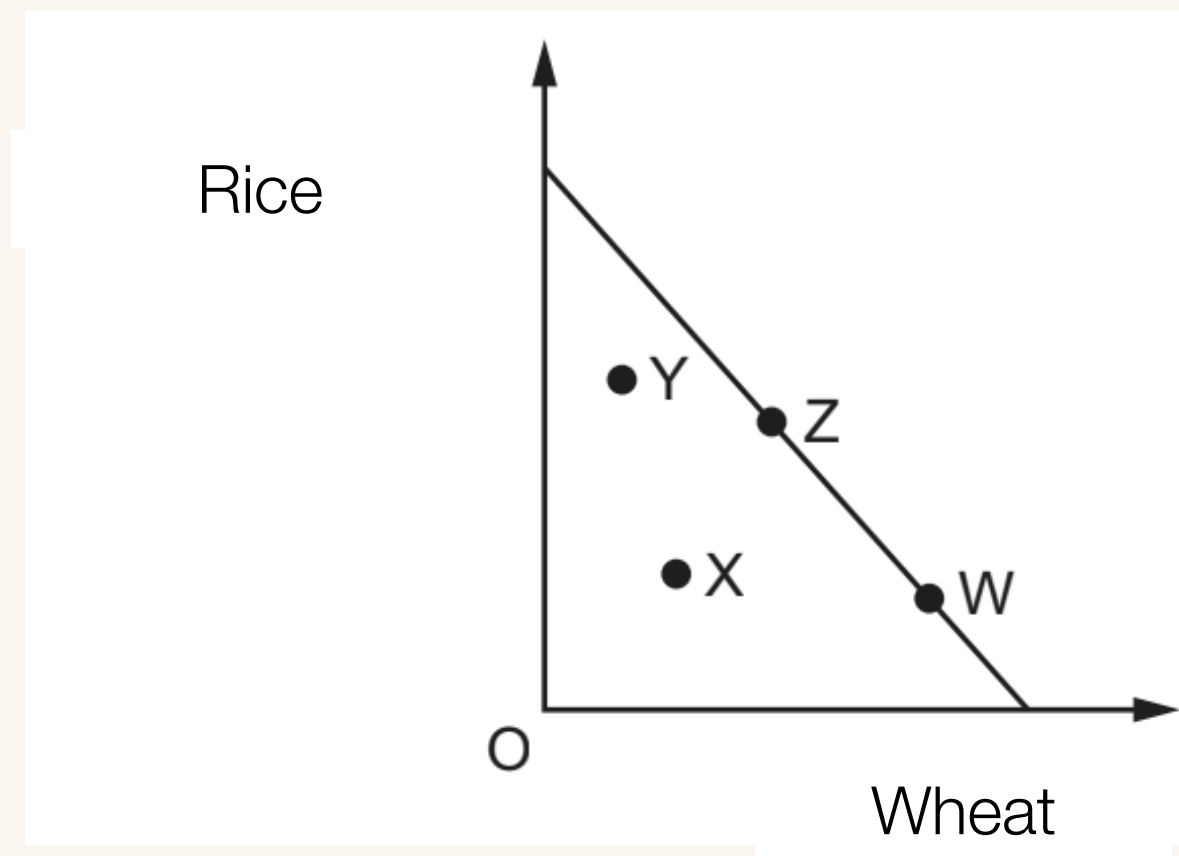
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Chapter4: Production possibility curve

# Part1-Multiple choice

5. The diagram shows a production possibility curve (PPC) for wheat and rice. Which movement shows an increase in the use of existing resources to increase production for both wheat and rice?



- A. X to W
- B. X to Z
- C. Z to W
- D. Z to Y

# Part2-Essay

1. Analyse, using a production possibility curve (PPC) diagram, the effect of a serious flooding in an economy. [6]
2. Explain the significance of a production point inside the PPC versus a production point on the PPC [4]
3. Analyse, using a production possibility curve (PPC) diagram, the effect of an improve advanced technology [6]

# The End

