Name:

Date:

Facilitator:

School:

1.04 PPF Basics

1. Explain how the four economic ideas below are illustrated by the production possibilities curve.

A. Scarcity -

B. Opportunity Costs -

C. Efficiency -

D. Economic Growth -

2. What does inefficiency inside the PPF curve mean?

3. What is a historical example that illustrates a point inside the PPF?

4. Where will a country be on its production possibilities frontier?

5. Can a country reach a point outside their current production possibilities frontier? Explain.

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6. How can a country reach a point outside their current production possibilities frontier?

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7. In your own words explain the economic principle of “Guns or Butter”.

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8. Explain the production possibilities curve for a teenager who has two choices, working at a job to make money, and studying to get good grades.