Name:

Date:

School:

Facilitator:

1.04 PPF Basics

Total Points: 35

**Answer the following 8 questions using complete sentences.**

1. Explain how the four economic ideas below are illustrated by the production possibilities curve.
	1. Scarcity:
	2. Opportunity Costs:
	3. Efficiency:
	4. Economic Growth:
2. What does inefficiency inside the PPF curve mean?

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

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

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

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

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

1. 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.