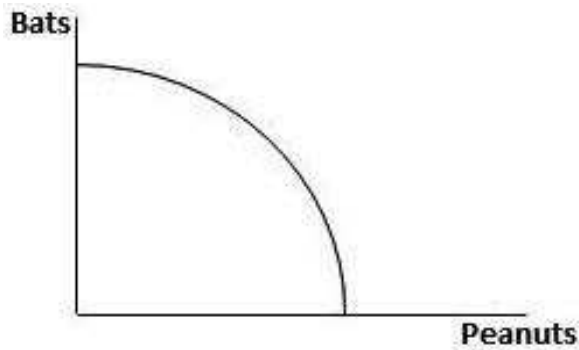


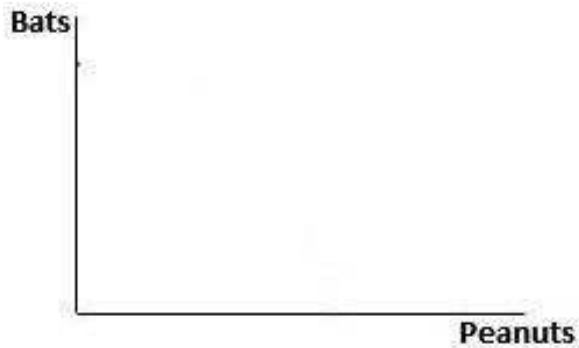
Production Possibility Frontier Worksheet 1.2.1

Look at the following Production Possibility Frontier illustrating possibilities in Baseball Village for producing bats and/or peanuts with the existing level of resources and technology.

1. The curve shown in PPF A indicates what condition? _____
2. Show a point U to indicate unemployed resources in Baseball Village.
3. Show a Point G that indicates a currently unattainable level of production.
4. Show a point P to indicate any possible level of production of Bats and Peanuts in Baseball Village.
5. Redraw the curve in PPF B to show how improvements in technology can provide production opportunities.
6. Explain how the model of the Production Possibility Frontier can explain how a nation can attain economic growth.



Production Possibility Frontier A

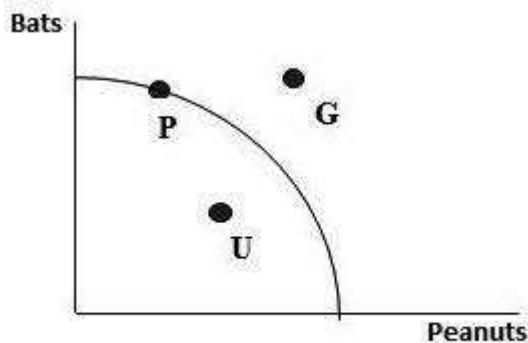


Production Possibility Frontier B

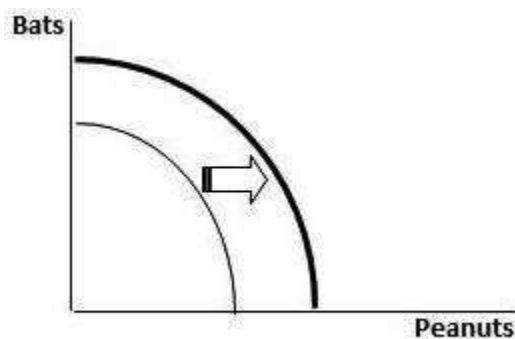
Production Possibility Frontier Worksheet 1.2.1

ANSWER KEY

1. The curve shown in PPF A indicates what condition? *A curved line shows that opportunity costs are increasing. Resources are not equally shiftable between the two goods. The opportunity costs grow, as movement is made downward along the curve.*
2. Show a point U to indicate unemployed resources in Baseball Village. *Point U lies anywhere inside the curve. Unemployed resources will mean less of each product.*
3. Show a Point G that indicates a currently unattainable level of production. *Point G lies anywhere outside the curve. No resources are available to produce beyond what resources are available.*
4. Show a point P to indicate any possible level of production of Bats and Peanuts in Baseball Village. *Point P lies anywhere on the curve. Society makes the choice of how many bats and peanuts that it wants.*
5. Redraw the curve in PPF B to show how improvements in technology can provide production opportunities. *When new technology increases the production capacity of both products, the PPC shifts to the right. More Bats and Peanuts can be produced with the addition to the resources available.*
6. Explain how the model of the Production Possibility Frontier can explain how a nation can attain economic growth. *As new technology is added to production, or more resources like capital are added to production, more of both products shown on the axes of the model can be shifted to the right. At every level of new production, more goods are produced.*



Production Possibility Frontier A



Production Possibility Frontier B

Name: _____ Class Period: _____ Date: _____

Module 2 Vocabulary Worksheet 1.2.2

Production Possibility Frontier	Production —using resources to make goods and services	So...A line with slope that shows the use of resources and the goods and services that can be produced.
	Possibility —what can happen or what can be produced	
	Frontier —a line that has slope or a line that is not straight	
Economic Growth	Economic	So...
	Growth	
Law of Increasing Opportunity Cost	Law	So...
	Opportunity	
	Cost	