

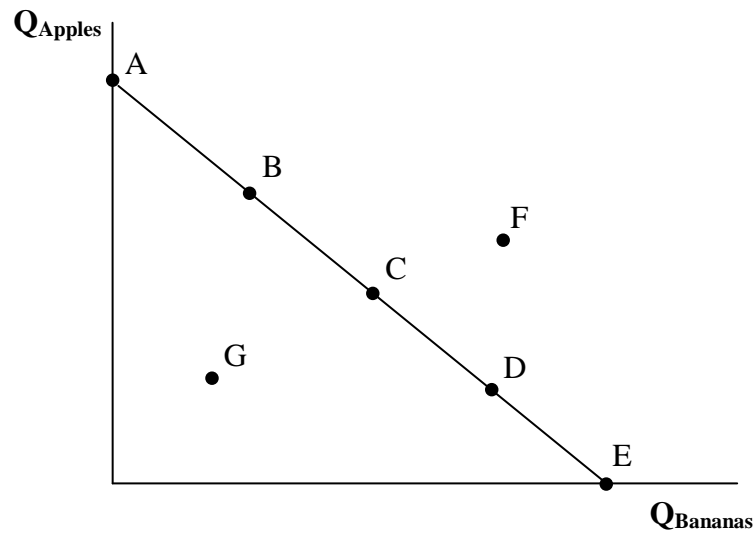
Production Possibilities – Day 2 Questions

Econ 201/Haworth

The questions below are provided to test your understanding of this day's material.

*To receive credit for this assignment, go to Assignments and find the folder entitled Daily Questions. Inside that folder, you'll find a folder entitled Section 1. Once you're in that folder, click on the link that says **Production Possibilities-Day 2** and complete the assignment. When you are finished, you may submit. Remember that the deadline for submitting this Day 2 Daily Question assignment is Monday, February 6, at 9:00pm.*

Questions 1-4 correspond with the graph of Country X's PPC. Note that this graph reflects concepts from the lecture on Day 2 and that Country X produces apples and bananas.



- Country X is not able to currently produce at _____
 - points A, E and F
 - points G and F
 - points A, E, F and G
 - point G
 - point F
 - none of the above are correct
- Which of the following is a true statement about full employment on this graph:
 - points A, B, C, D and E are the only points associated with full employment
 - points B, C and D are the only points associated with full employment
 - points A, B, C, D, E and F are the only points associated with full employment
 - all points on the graph (points A, B, C, D, E, F and G) are associated with full employment

3. Which of the following is a true statement about the points on this graph:

- a. point F reflects inefficiency
- b. point G reflects inefficiency
- c. point A reflects inefficiency
- d. point E reflects inefficiency
- e. all of the above are correct
- f. answers a and b are correct
- g. answers c and d are correct

4. Which of the following statements reflect moving from a point associated with efficiency to another point associated with efficiency:

- a. movement from point G to point B
- b. movement from point B to point E
- c. movement from point B to point C
- d. movement from point A to point B
- e. all of the above are correct
- f. answers a, c and d are correct
- g. answers b, c and d are correct
- h. answers c and d are correct