

## Production Possibilities – Day 2 Questions

Honors Econ 202/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 Friday, February 3, at 9:00pm.*

In Questions 1-4, we assume that there's a country we'll call Country X and that Country X produces apples and bananas. In each question below, you'll be given a series of events that will affect the PPC of Country X. Your job is to identify how each event affects Country X's PPC.

1. During a period of full employment, the demand for bananas increases within Country X:

- a. increase in the PPC for bananas (only)
- b. decrease in the PPC for bananas (only)
- c. movement from a point on the PPC to another point on the PPC that allows greater banana production
- d. movement from a point that's inside the PPC toward a point located on the PPC that allows greater banana production
- e. none of the above

2. There is a decrease in the quantity of input used to produce apples within Country X:

- a. increase in the PPC for apples (only)
- b. decrease in the PPC for apples (only)
- c. increase in the PPC
- d. decrease in the PPC
- e. none of the above

3. There is an improvement in technology within Country X:

- a. increase in the PPC
- b. decrease in the PPC
- c. movement from a point inside the PPC toward a point located on the PPC
- d. movement from a point on the PPC toward a point located inside the PPC
- e. none of the above

4. There is migration of foreign laborers into Country X:

a. increase in the PPC

b. decrease in the PPC

c. movement from a point inside the PPC toward a point located on the PPC

d. movement from a point on the PPC toward a point located inside the PPC

e. none of the above