

Name:

Economics Notes (PPC)

I. Production Possibilities Curve

A. Production Possibilities Curves

1. Graphs that show _____
2. Example – can show how the number of cotton produced is affected by number of wine made.

B. Efficiency

1. _____
2. Production possibilities frontier:

II. Guns and Butter

- A. Government is responsible for the safety and well-being of its citizens. Due to the _____ or _____ governments must decide how many resources to devote to _____ and how many to _____. Applying more resources to one means applying fewer to the other. (Opportunity cost and trade-offs)

Review:

Give two (2) examples of goods:

Give two (2) examples of services:

Why does every decision involve a trade-off?