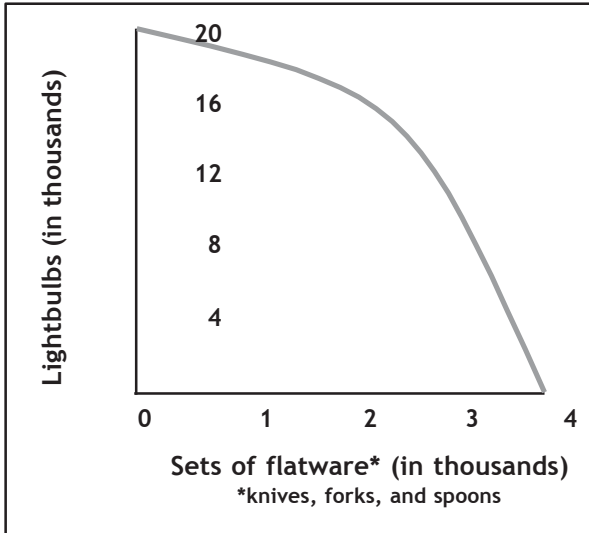


Analyzing Production Possibilities

A. Analyzing Economic Data

Study the graph shown below. Answer the questions in the space provided.



1. What oversimplified assumption does the graph make about number of types of products the society produces?

2. If the society decides to make 14,000 light bulbs, how many sets of flatware can it make?

3. What is the opportunity cost of increasing the number of light bulbs produced from 14,000 to 18,000?

4. Mark and label a point on the graph that shows efficiency.

5. Mark and label a point on the graph that shows underutilization of resources.

6. If new technology made it easier to sell and distribute all sorts of housewares, including lightbulbs and flatware, what would happen to the curve?
