

# Smart Edu Hub / Smart Exam Resources

## A Level Economics Topic Questions / Paper 2

### Topic: 1.5 Production possibility curves

#### Question-1

Show how a production possibility curve can be used to explain scarcity, choice and opportunity cost. [8]

#### Question-2

Use production possibility curve (PPC) diagrams to explain the effect on an economy's output of (i) increased use of its existing labour, and (ii) an increased availability of natural resources. [8]

#### Question-3

Explain with the help of a production possibility curve diagram(s) how a decision to re-allocate resources in an economy to produce more capital goods and fewer consumer goods would affect consumers in both the short run and the long run. [8]

#### Question-4

Explain how a country's production possibility curve depends upon its factors of production. [8]

#### Question-5

Explain how the loss of confidence in money will affect an economy's production possibility curve. [8]