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A Level Economics Topic Questions / Paper 2

Topic: 1.5 Production possibility curves

Question-1

With the help of a diagram, explain how a production possibility curve can illustrate the concepts of opportunity cost and economic growth. [8]

Question-2

Use production possibility curves to compare the changes in the output of the ROI and Iceland shown in Fig. 1. [3]

Question-3

Explain, with the help of diagrams, how (i) constant and (ii) increasing opportunity costs determine the shape of an economy's production possibility curve. [8]

Question-4

Explain, with the aid of a production possibility curve (PPC) diagram, why scarcity makes choice inevitable for firms and how each choice has an opportunity cost. [8]

Question-5

Use a production possibility curve diagram(s) to distinguish between the growth of an economy and a reduction in the number of unused resources in an economy and explain one reason that might cause each to occur. [8]