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A Level Economics Topic Questions / Paper 2

Topic: 1.5 Production possibility curves

Question-1

Explain how a production possibility curve with increasing opportunity costs illustrates the consequences of a government's choice to produce more military goods. Use a diagram to support your answer. [8]

Question-2

With the aid of a diagram, compare what happens to an economy's resources to cause a movement along its production possibility curve with what happens to an economy's resources to cause a shift of its production possibility curve. [8]

Question-3

Use a diagram(s) to explain how a production possibility curve can be used to show opportunity cost and why such a curve is usually drawn with increasing opportunity costs. [8]

Question-4

Explain, with the use of a diagram(s), how the production possibility curve of an economy could be affected by a decrease in the quantity of labour available, but an increase in its quality. [8]

Question-5

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