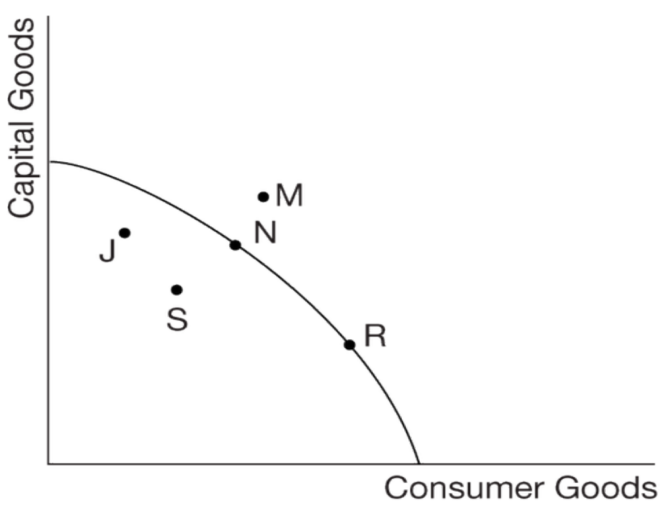
Unit 1.3 Production Possibilities Curve

AP Microeconomics Homework

Total Questions: 33

1. 题库 Unit 1 PPC Q12

12.



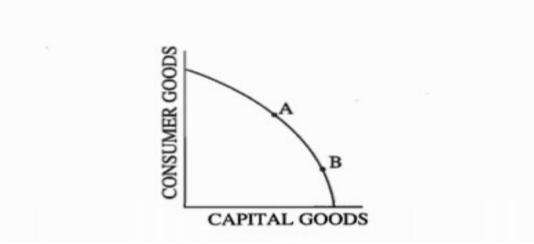
2. 题库 Unit 1 PPC Q13

Where on a graph of a production possibilities curve would a point showing that an economy is using its resources efficiently be located?

(A) On the production possibilities curve
(B) Inside the production possibilities curve
(C) Beyond the production possibilities curve
(D) On the y-axis and below the production possibilities curve
(E) On the x-axis and below the production possibilities curve

3. 题库 Unit 1 PPC Q14

14.



The diagram above shows an economy's current production possibilities curve for capital goods and consumer goods. If society chooses point B over point A, society is choosing

(A) more future consumption in exchange for less current consumption
(B) more current capital goods in exchange for less future consumption
(C) more future and current consumption
(D) less future consumption in exchange for more current consumption
(E) less current capital goods in exchange for greater future consumption

15. The chart below shows the number of resource units the countries Gamma and Omega must use to produce one unit of food or one unit of clothing.

4. 题库 Unit 1 PPC Q17

Improvements in technology for producing all goods must result in

(A) an inward shift in the production possibilities curve
(B) an outward shift in the production possibilities curve
(C) a flatter production possibilities curve
(D) a steeper production possibilities curve
(E) greater unemployment of labor

5. 题库 Unit 1 PPC Q19

An outward shift in the production possibilities curve of an economy can be caused by an increase in

(A) unemployment
(B) the labor force
(C) inflation
(D) output
(E) demand

6. 题库 Unit 1 PPC Q20

Which of the following explains why a production possibilities curve is often represented as concave (bowed out) from the origin?

(A) The law of demand
(B) The law of supply
(C) Constant returns to scale
(D) Decreasing opportunity cost
(E) Increasing opportunity cost

7. 题库 Unit 1 PPC Q24

Assume that an economy produces televisions and shoes. Which of the following would cause the production possibilities curve for this economy to shift outward?

(A) An increase in the labor force
(B) An increase in the prices of both goods
(C) An increase in the prices of resources used to produce both goods
(D) A decrease in the demand for shoes
(E) A change in consumers' tastes in favor of televisions

8. 题库 Unit 1 PPC Q25

An economy produces two goods: X and Y. Its production possibilities curve is linear with the intercept on the Y axis at 1,000 units and the intercept on the X axis at 100 units. Which of the following statements is correct?

(A) There is an increasing opportunity cost of producing good X, beginning with 1 unit of X costing 0.1 unit of Y.
(B) There is an increasing opportunity cost of producing good Y but not of producing good X, which has a constant opportunity cost.
(C) There is a constant opportunity cost with each unit of good X costing 10 units of good Y.
(D) There is a constant opportunity cost with 10 units of good X costing 1 unit of good Y.
(E) With a linear production possibilities curve, total production of goods X and Y will be the same at each point on the curve.

9. 题库 Unit 1 PPC Q26

32. Two alternative production possibility frontiers for apples and wheat are shown in the figures below.

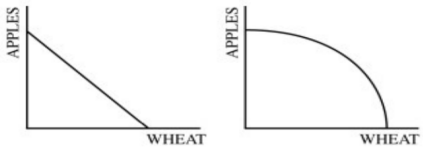


Figure 1 Figure 2

As more wheat is produced, how will the opportunity cost of producing wheat, as represented in Figures 1 and 2, be affected?

10. 题库 Unit 1 PPC Q27

Movement along a production possibilities curve shows which of the following?

(A) The trade-offs society faces
(B) The total amount of available resources
(C) The combination of inputs required for a given output
(D) The relationship between the price of an input and the quantity demanded
(E) The decrease in efficiency

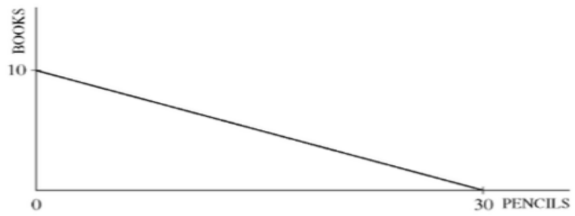
11. 题库 Unit 1 PPC Q29

A production possibilities curve can shift inward if there is

(A) an increase in productivity
(B) an increase in unemployment
(C) an increase in the price of raw materials
(D) a misallocation of resources
(E) a natural disaster

12. 题库 Unit 1 PPC Q30

30.



Based on the production possibilities curve for books and pencils shown above, what is the opportunity cost of producing a book?

(A) 30 pencils
(B) 10 pencils
(C) 3 pencils
(D) 1/3 of a pencil
(E) 1/10 of a pencil

31.

Combination

13. 题库 Unit 1 PPC Q31

Houses

Grain (in bushels)

A	0	1,000,000
B	1	950,000
C	2	850,000
D	3	700,000
E	4	400,000
F	5	0

The table above shows six possible combinations of houses and grain that a country can produce in a year using all currently available resources and technology. The opportunity cost of changing production from combination B to combination C is

14. 题库 Unit 1 PPC Q32

32. Two alternative production possibility frontiers for apples and wheat are shown in the figures below.

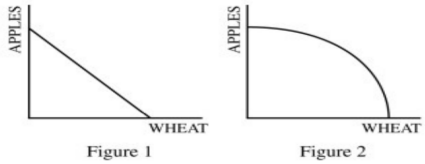


Figure 1 Figure 2

As more wheat is produced, how will the opportunity cost of producing wheat, as represented in Figures 1 and 2, be affected?

15. 题库 Unit 1 PPC Q33

(A)

Figure 1	Figure 2
Decrease	Increase

(B)

Figure 1	Figure 2
Increase	Decrease

(C)

Figure 1	Figure 2
No change	Increase

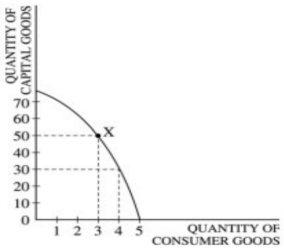
16. 题库 Unit 1 PPC Q34

An outward shift of a production possibilities curve can be caused by

(A) planting a more profitable farm crop
(B) improving technology
(C) using idle resources
(D) changing consumer preferences
(E) increasing the minimum wage

17. 题库 Unit 1 PPC Q36

36.



According to the graph above, if a country is currently producing at point X, the opportunity cost of producing another consumer good is

(A) 20 capital goods
(B) more than 20 capital goods
(C) fewer than 20 capital goods
(D) 20 consumer goods
(E) fewer than 20 consumer goods

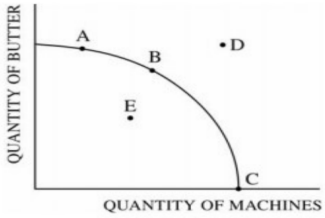
Include correctly labeled diagrams, if useful or required, in explaining your answers. A correctly labeled diagram must

18. 题库 Unit 1 PPC Q38

37. Respond to all parts of the question.

Please respond on separate paper, following directions from your teacher.

38.



The diagram above shows the production possibilities curve for Country Y. Which of the following statements is true?

(A) If Country Y is producing at point C, it is using all its resources efficiently.
(B) The opportunity cost of producing more machines is constant.

19. 题库 Unit 1 PPC Q39

*I*nclude correctly labeled diagrams, if useful or required, in explaining your answers. A correctly labeled diagram must have all axes and curves clearly labeled and must show directional changes. If the question prompts you to "Calculate," you must show how you arrived at your final answer.

The data provided below describe an ice-cream store's daily production possibilities for milkshakes and sundaes.

Milkshakes	0	20	40	60	80	100	120
Sundaes	210	200	180	150	110	60	0

(a) Draw a correctly labeled graph of the store's production possibilities curve (PPC) with milkshakes on the horizontal axis and sundaes on the vertical axis and label the endpoints using the numbers provided above.

(b) Is the opportunity cost of producing milkshakes increasing, decreasing, or constant? Explain using numbers in the table.

(c) The store is currently producing 80 milkshakes and 110 sundaes. Calculate the opportunity cost of increasing milkshake production from 80 to 100 milkshakes. Show your work.

(d) Would it be efficient for the store to produce 80 milkshakes and 150 sundaes? Explain using numbers in the table.

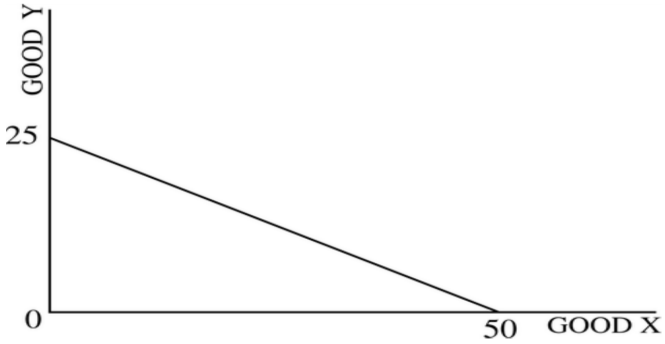
(e) Suppose the ice-cream store purchases a new machine that increases the output of milkshakes and sundaes. Show the effect of the change on the store's PPC on your graph in part (a).

39. Respond to all parts of the question.

Please respond on separate paper, following directions from your teacher.

20. 题库 Unit 1 PPC Q40

40.



According to the production possibilities curve above, which of the following is true?

(A) The opportunity cost of producing another unit of good Y in terms of good X increases as more of good Y is produced.

(B) The opportunity cost of producing another unit of good Y in terms of good X decreases as more of good Y is produced.

(C) The opportunity cost of producing another unit of good X in terms of good Y increases as more of good X is produced.

(D) The opportunity cost of producing another unit of good X in terms of good Y decreases as more of good X is produced.

(E) The opportunity cost of producing another unit of either good remains constant as the production of the other good increases.

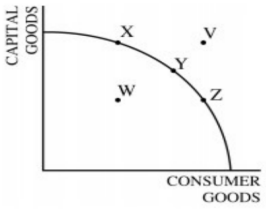
21. 题库 Unit 1 PPC Q41

(C) The opportunity cost of producing another unit of good X in terms of good Y increases as more of good X is produced.

(D) The opportunity cost of producing another unit of good X in terms of good Y decreases as more of good X is produced.

(E) The opportunity cost of producing another unit of either good remains constant as the production of the other good increases.

The following questions are based on the production possibilities curve depicted below.



Based on a comparison of points X, Y, and Z, the opportunity cost of an additional consumer good is

(A) highest at point X
(B) highest at point Y
(C) highest at point Z
(D) lowest at point Y
(E) the same at points X, Y, and Z

22. 题库 Unit 1 PPC Q42

Given the production possibilities curve above, which of the following represents a movement from efficiency to inefficiency?

(A) Point X to point W
(B) Point X to point Z
(C) Point Y to point Z
(D) Point W to point Z
(E) Point V to point Y

23. 题库 Unit 1 PPC Q43

Economic growth can be depicted using a production possibilities curve by which of the following?

(A) A rightward shift of the curve
(B) A movement upward on an existing curve
(C) A movement downward on an existing curve
(D) A movement from a point outside the curve to a point on the curve
(E) A movement from a point on the curve to a point inside the curve

24. 题库 Unit 1 PPC Q44

Which of the following is true of an economy's production possibilities curve?

(A) It shows the combinations of any two resources that can be used to produce an efficient level of output.
(B) It shows the alternative combinations of goods that can be produced by fully employing scarce resources.
(C) It must be a straight line when all resources are fully employed.
(D) It is bowed in (convex to the origin) because of changing levels of technology.
(E) It is bowed out (concave to the origin) when marginal opportunity costs are constant.

25. 题库 Unit 1 PPC Q45

A production possibilities curve is bowed out, indicating increasing opportunity cost because of

(A) the law of demand
(B) the law of diminishing marginal utility

(C) the existence of unemployment
(D) differences in consumer tastes
(E) imperfect adaptability of resources to alternative uses

26. 题库 Basic Concepts Q27

Assume an economy is using all its available resources efficiently to produce only two goods, X and Y. As more of good X is produced, what happens to the production of good Y?

(A) The production of good Y also increases.
(B) More resources will need to be devoted to producing good Y.
(C) Less of good Y is produced as resources move from producing good Y to producing good X.
(D) The economy can only produce more of good X if there is more labor available.
(E) There will be no loss of good Y produced.

27. 2025 AP Micro MCQ Q3

Which of the following is the best example of a fixed input for a firm producing leather boots in the short run?

(A) Industrial sewing machines
(B) Leather used to make the boots
(C) Thread used to stitch the leather together
(D) Unskilled labor working in the factory
(E) Electricity used to power the factory

28. 2. 2021 AP Micro MCQ Q24

Tech Company is deciding whether to charge a high price or a low price for its product. Uptown Tech Company is deciding whether to invest in research and development or advertising. Each company's profit depends on the actions taken by the other firm, which are listed in the payoff matrix provided. The first entry in the matrix is Downtown Tech Company's profit, and the second is Uptown Tech Company's profit. Each firm independently and simultaneously selects an action. Each firm knows all of the information about the payoffs associated with the strategies each firm can choose.

		Uptown Tech Company	
		Research and Development	Advertising
Downtown Tech Company	High Price	\$500, \$250	\$100, \$700
	Low Price	\$200, \$400	\$600, \$350

The Nash equilibrium to this game, if one exists, is which of the following?

(A) High Price, Research and Development
(B) Low Price, Advertising
(C) High Price, Advertising
(D) Low Price, Research and Development
(E) None of the strategy pairs represents a Nash equilibrium.

29. 2. 2021 AP Micro MCQ Q39

cles if the government establishes a binding price floor?

(A) A market shortage
(B) A decrease in the demand for bicycles
(C) A decrease in the quantity of bicycles purchased
(D) An increase in consumer surplus
(E) An increase in the equilibrium quantity of bicycles

Quantity of Output (units)	Total Variable Cost ($)	Total Cost ($)
1	100	200
2	190	290
3	270	370
4	340	440
5	420	520
6	510	610
7	610	710

30. 3. 2023 AP Micro MCQ Q39

cles if the government establishes a binding price floor?

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Quantity of Output (units)	Total Variable Cost ($)	Total Cost ($)
1	100	200
2	190	290
3	270	370
4	340	440
5	420	520
6	510	610

31. 4. 2024 AP Micro MCQ Q3

MICROECONOMICS

SECTION I

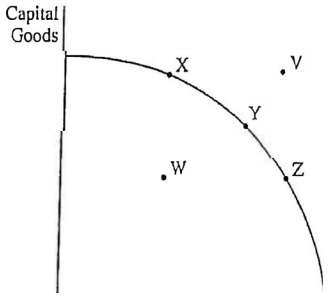
Time—1 hour and 10 minutes

60 Questions

Directions: Each of the questions or incomplete statements below is followed by five suggested answers or completions. Select the one that is best in each case and then fill in the corresponding circle on the answer sheet.

1. Economists assume that rational individuals make choices by comparing the marginal benefit of an activity to its

(A) marginal utility
(B) marginal revenue
(C) marginal cost
(D) average total cost
(E) average revenue



32. 题库 Unit 1 PPC - Opportunity Cost Analysis

If an economy operates at a point on the production possibilities curve, what does this indicate about resource allocation and efficiency?

(A) The economy is wasting some resources
(B) The economy is using resources efficiently with full employment
(C) The economy can produce more of both goods without trade-offs
(D) Technology improvements are no longer possible
(E) Consumer preferences have changed

33. 题库 Unit 1 PPC - Comparative Advantage

In a two-country model with different production possibilities curves, trade benefits both countries when

(A) both countries have identical opportunity costs
(B) one country has an absolute advantage in all goods
(C) each country has a different comparative advantage in producing goods
(D) all resources are fully employed in both countries
(E) both countries are at the same point on their curves