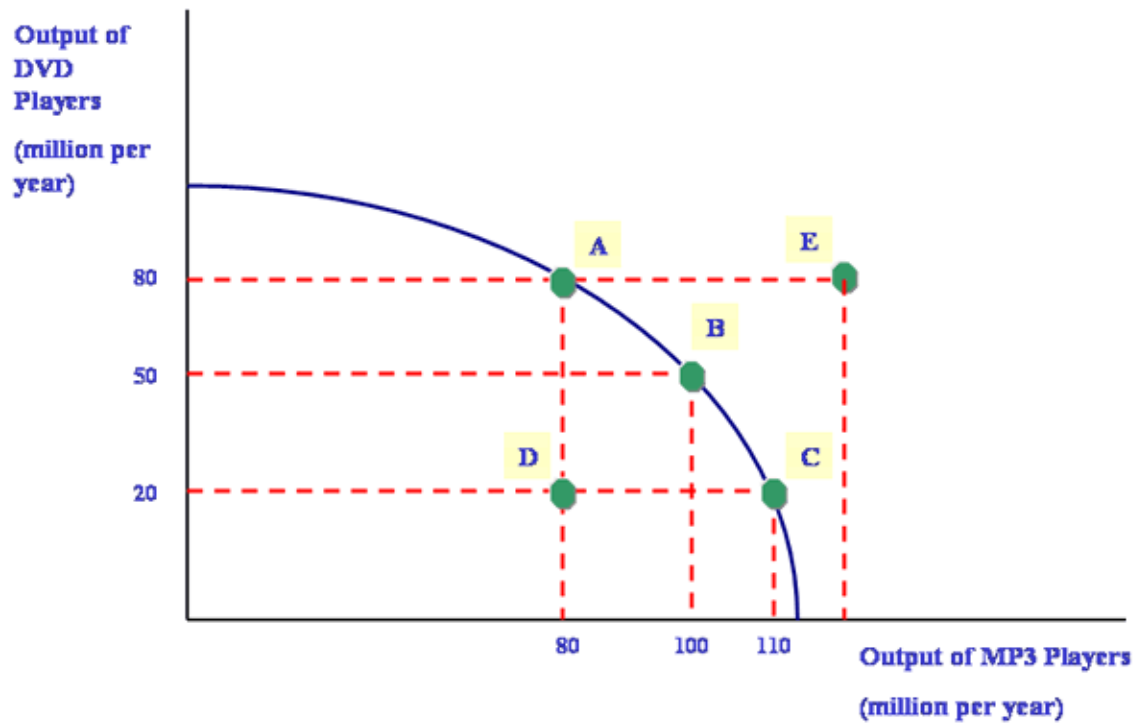


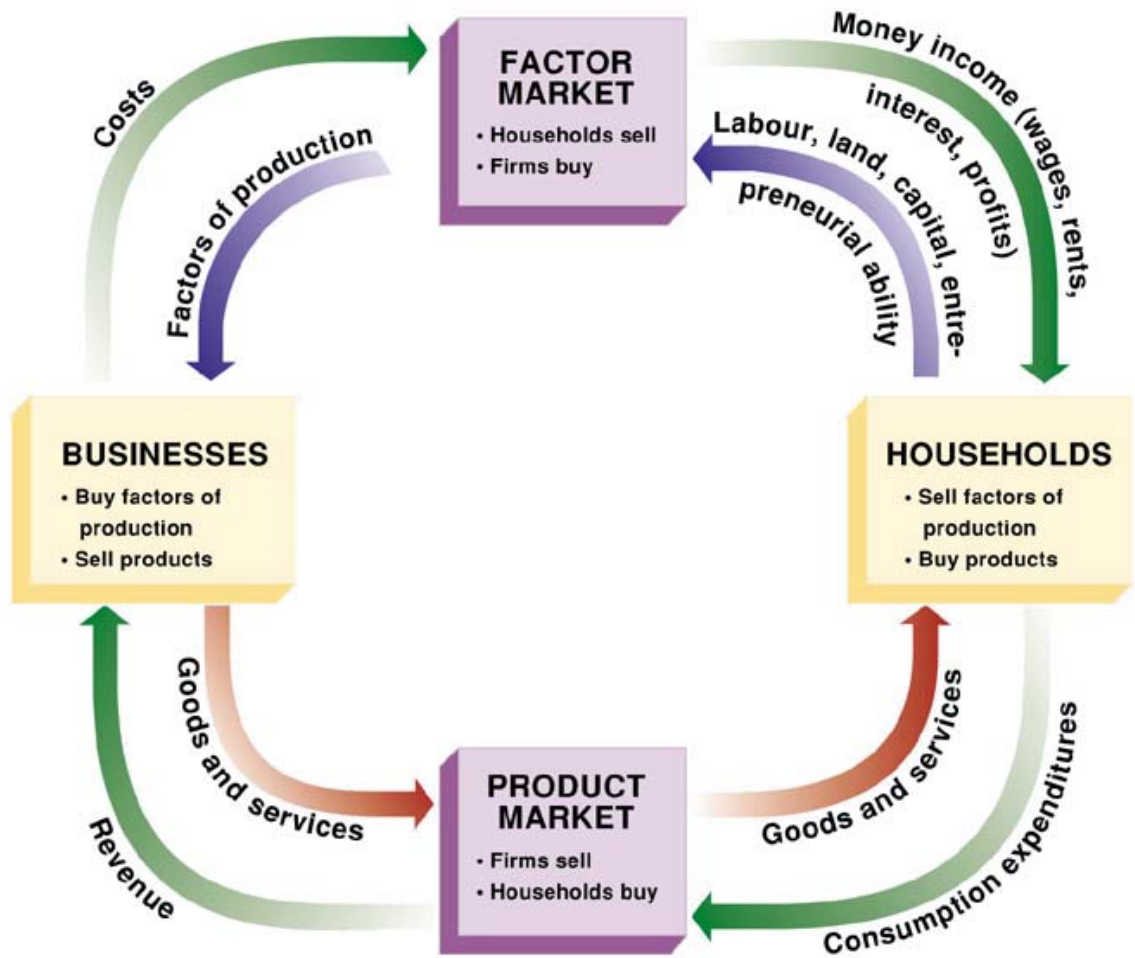
Production Possibilities Frontier



Answer the following questions based on the graph above.

1. Which of the combinations of output of DVD players and MP3 players are feasible given the PPF in the graph above?
2. What is the problem with the level of output represented by the letter D?
3. What is the opportunity cost of choosing A over B?
4. What is the opportunity cost of choosing C over B?
5. What factor would determine the decision of whether to produce at A, B, or C?
6. What must happen in order to be able to produce at the level represented by the letter E?

Circular Flow Chart



Answer questions 28, 29, and 30 based on the Circular Flow Chart above.