**Production Possibilities Curve Graphing Practice**

Using the following table, graph a production possibilities curve (remember capital goods go on the ***Y axis*** and consumer goods go on the ***X axis***)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Possible Production Alternatives (Options)** | | | | | | |
|  | **A** | **B** | **C** | **D** | **E** | **F** |
| **Capital Goods** | 5 | 4 | 3 | 2 | 1 | 0 |
| **Consumer Goods** | 0 | 5 | 9 | 12 | 14 | 15 |

**Question 1**

If I am currently producing at point A and want to start producing at point B, what type of goods do I have to give up? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and how many do I give up? \_\_\_\_\_\_\_\_\_ Why?

**Question 2**

As I move from point A to point B, what type of goods do I gain? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ How many do I gain? \_\_\_\_\_\_\_\_\_

Do I have a 1 for 1 exchange (i.e. do I gain 1 good for everyone 1 good given up)? \_\_\_\_\_\_\_\_\_

**Question 3**

If I want to have future economic growth, what point on the curve will get me there fastest? \_\_\_\_\_\_\_\_\_ Why?

**Question 4**

Place and label (as “G”) a point on the graph that represents ***underutilization*** of resources.

What might have happened to get me there?

**Question 5**

Place and label as “H” a point that represents ***future economic growth***. Explain one option that would allow us to get there.