CH-1 Introduction

ASSIGNMENT 2

1. Define Opportunity Cost.
2. Define Marginal Opportunity Cost.
3. Define PPC
4. What are the characteristics of PPC?
5. What are the assumptions of PPC?
6. Why PPC is concave to origin?
7. Can PPC be a straight line?
8. When can PPC be convex to the origin?
9. What are reason for right ward shift of PPC?
10. What are reason for leftward shift of PPC?
11. What is the effect on MRT as we move downward along the PPC?
12. What does a point on PPC curve indicate?
13. What does a point inside the PPC curve indicate?
14. Massive unemployment shift PPC to the left.
15. What does a point above PPC represent?