



PRESIDENCY COLLEGE
(Autonomous)



*Reaccredited by
NAAC with A+*

Microeconomics

Production Possibility Curve

Presidency
Group

OVER
40
YEARS
OF ACADEMIC
WISDOM



PRESIDENCY COLLEGE

(AUTONOMOUS)

AFFILIATED TO BENGALURU CITY UNIVERSITY, APPROVED BY AICTE, DELHI & RECOGNISED BY THE GOVT. OF KARNATAKA

RE-ACCREDITED BY NAAC WITH 'A+' GRADE



PPC – Production Possibility Curve

Assumptions:

The resources available are fixed.

The technology remains unchanged.

The resources are fully employed.

The resources are efficiently employed.

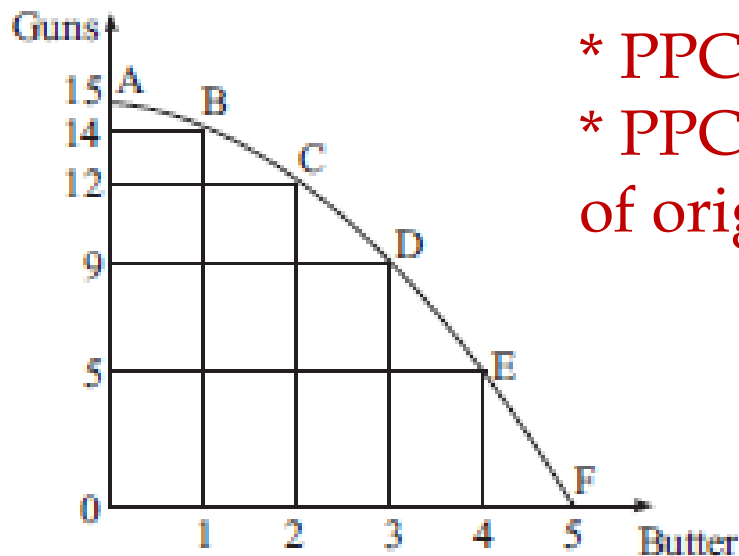


Possibilities	Guns (units)	Butter (units)
A	15	0
B	14	1
C	12	2
D	9	3
E	5	4
F	0	5



PPC - Assumptions

- (a) quantity of factors of production is fixed
- (b) full employment
- (c) technology is given
- (d) There are two goods produced in the economy.



- * PPC slopes downward
- * PPC is concave to the point of origin

