

Assignment 1: Production possibility frontier

Please work on this with your assigned group today during class. If you don't finish during class, please complete the assignment outside of class with other students or individually.

Due Friday 16 September. Please submit hardcopy at the beginning of class (11:00 a.m.), or if you prefer, under the door of Wimberly Hall 339C by 10:50 a.m.

Iowa agriculture

Suppose that Iowa produces only two goods, corn and soybeans. When production is efficient, Iowa can produce these combinations of corn and soybeans:

Good	Production of bushels, millions				
Corn	0	1,500	3,000	4,500	6,000
Soybeans	2,000	1,750	1,500	1,000	0

1. Draw the production possibility frontier for Iowa's two-good economy, using linear segments (straight lines) to connect the points in the table. Label the feasible production possibilities and the efficient production possibilities. Also label the axes and the production possibility frontier.



