

### 3. Production Possibility Frontiers – Shifts and Movements

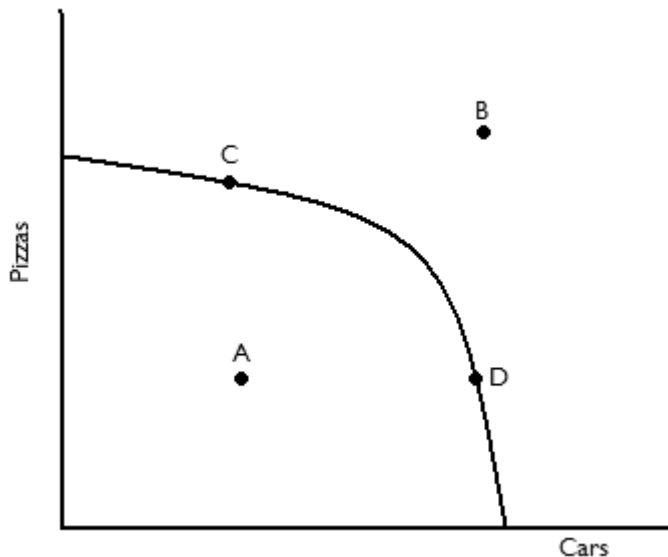
#### 1. Fill in the missing words

Any point on the PPF is \_\_\_\_\_ efficient, however only one point, which meets society's needs, is \_\_\_\_\_ efficient. This means that should an economy wish to produce more of both goods then it will need to experience a period of \_\_\_\_\_. This will \_\_\_\_\_ the PPF to the right. This can be done by increasing the quantity and quality of the factors of production. An economy can operate inside the PPF but this means that there are \_\_\_\_\_ resources but there is no \_\_\_\_\_ cost involved in increasing output.

Choose words from: productively, opportunity, allocatively, shift, unemployed, economic growth

#### 2. Match the letters (see diagram below) to the statements in the table.

	This point is unobtainable
	To move from this point to another will involve no opportunity cost
	At this point unemployed resources exist
	Moving from this point to another will mean more cars but there is an opportunity cost of a loss of pizzas



#### 3. Explain

3.1 What might cause a PPF to shift to the left.

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3.2 Two factors that might cause a PPF to shift to the right.

1. \_\_\_\_\_

2. \_\_\_\_\_

3.3 Why governments try to prevent the economy resting at a point to the left of the PPF.

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