

AP Microeconomics
Day 3
Production Possibilities Curves

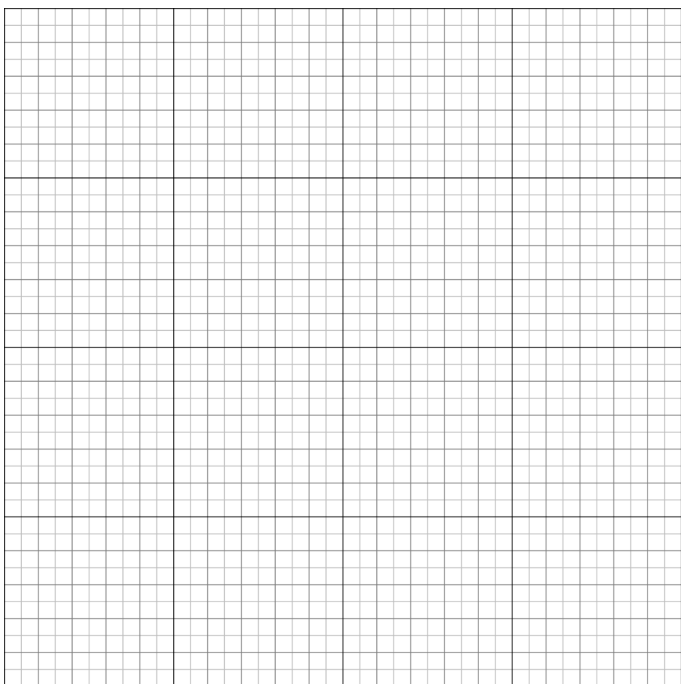
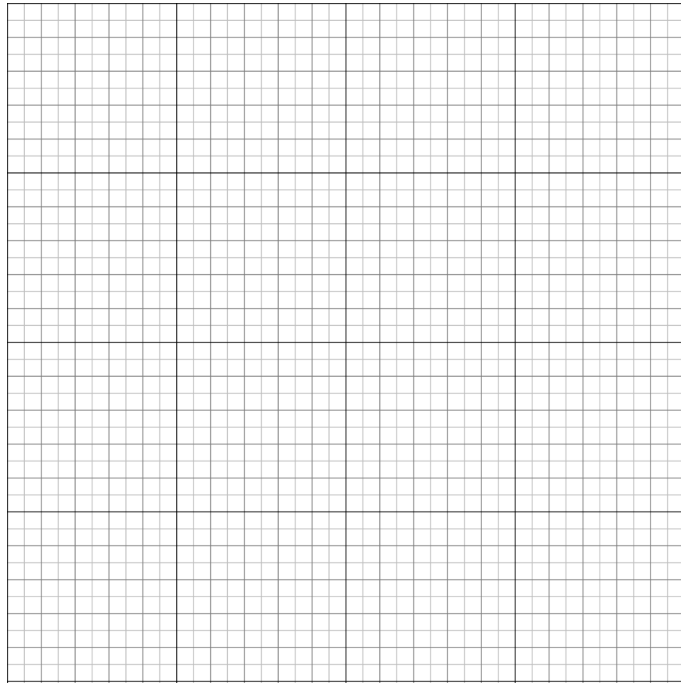
Economic Models:

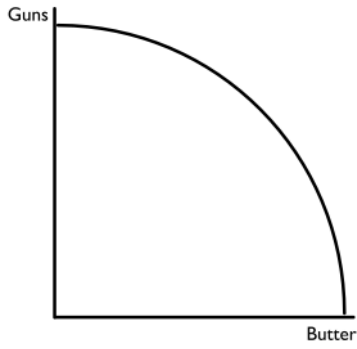
Production Possibilities Curves (or Frontiers):

Per-Unit Opportunity Cost

Law of Constant Opportunity Cost

Law of Increasing Opportunity Cost

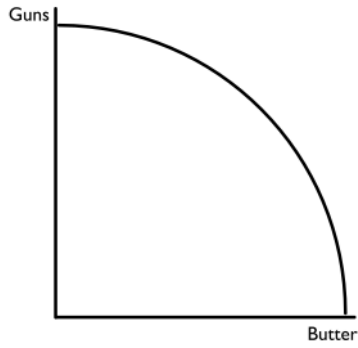




Efficient Economy

Where?

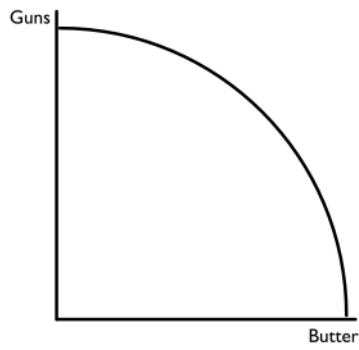
Explanation:



Inefficient Economy

Where?

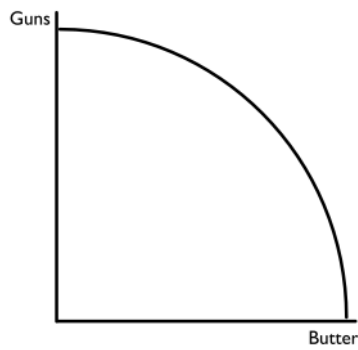
Explanation:



Impossible Economy

Where?

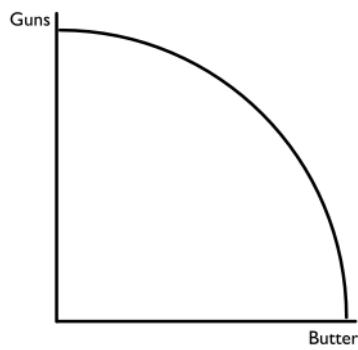
Explanation:



Growing Economy

Where?

Explanation:



Shrinking Economy

Where?

Explanation: