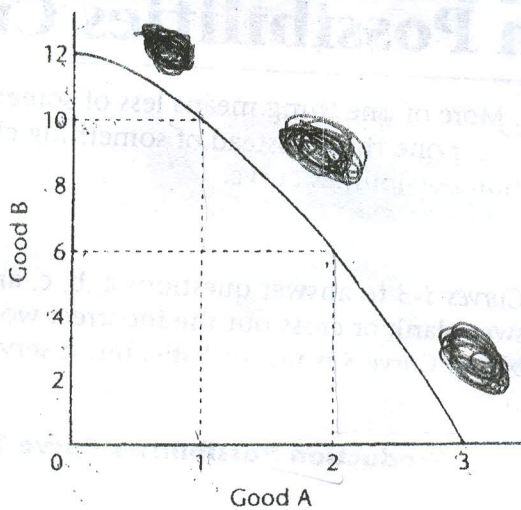


ACTIVITY 2 continued

Production Possibilities Curve 2



2. If the economy represented in *Production Possibilities Curve 2* is presently producing 12 units of Good B and 0 units of Good A:
 - a. the opportunity cost of increasing production of Good A from 0 units to 1 unit is the loss of 2 unit(s) of Good B.
 - b. the opportunity cost of increasing production of Good A from 1 unit to 2 units is the loss of 4 unit(s) of Good B.
 - c. the opportunity cost of increasing production of Good A from 2 units to 3 units is the loss of 6 unit(s) of Good B.
 - d. This is an example of (*constant/increasing/decreasing/zero*) opportunity cost per unit for Good A.

Production Possibilities Curve 3

