



The bowed out shape of the PPF is because certain factors of production are better suited to producing one good than they are to producing another good. For example, if the two goods are food and clothes, then in order to produce more and more clothes, eventually the most productive farm land must be allocated to clothes production. As a result, the opportunity cost of producing ever larger quantities of clothes rises as more clothes are produced.

In our situation the opportunity costs will be the same as the products are similar.