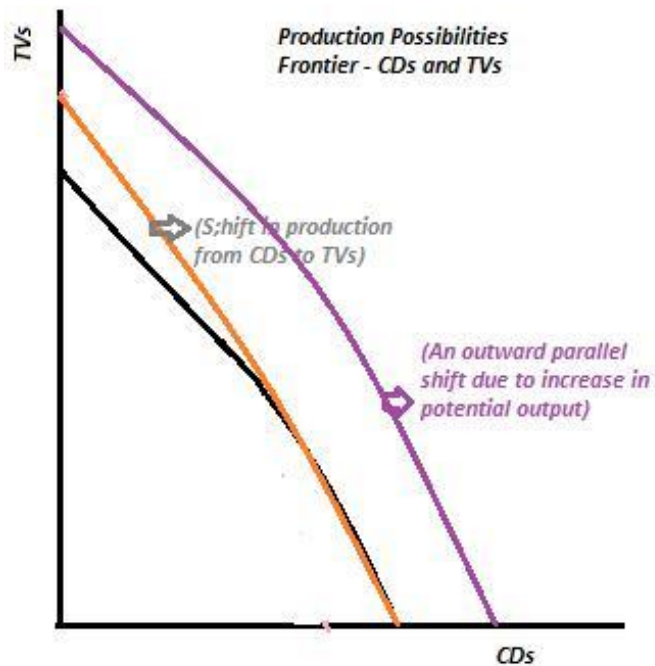


Answer on Question #75307 - Economics / Microeconomics

A community in north Namibia produces only two goods, tv's and cds. With the aid of properly labelled production possibilities curves illustrated each of the following (putting tvs on the vertical axis)

Answer:



1. The black curve shows the original PPF. The orange curve shows a shift in production from CDs towards TVs.
2. The purple curve shows an outward parallel shift caused by an increase in potential output of the community because of greater availability of the factors of production.