

ECONOMICS

Grade 10 | Module 2.5

Production Possibility Curves

Microeconomics

Student Note-Building Framework

*Use this handout alongside the online content to build your own set of notes.
Fill in definitions, examples, and summaries as you work through each section.*

Name:

Class:

Date:

How to Use This Handout

- 1. Read the online content** — Work through each section on the course website before completing the corresponding section here.
- 2. Fill in key terms** — Write definitions in your own words — this helps you remember them better than copying.
- 3. Complete the prompts** — Answer the guiding questions using the lined spaces provided.
- 4. Add your own notes** — Use the margins and blank spaces to add examples, diagrams, or extra details.
- 5. Use the checkboxes** — Tick off items as you complete them to track your progress.
- 6. Reflect** — The reflection boxes at the end of each section help you check your understanding.

Production Possibility Curves

After reading the online content, complete the following:

Production possibility curve (PPC)	
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What two assumptions does a PPC make about an economy?

5.1 Construction of a Production Possibility Curve

The online content uses a grain and meat example. Study that example, then answer:

What do the points ON the curve represent?

What do points to the RIGHT of the curve represent? Why are they not possible?

What do points to the LEFT of the curve represent? Why are they inefficient?

The PPC illustrates four key economic concepts. Explain each in your own words:

Concepts illustrated by the PPC	
Scarcity	
Choice	
Opportunity cost	
Efficient production	

Now create your own PPC example. Choose two products your community could produce. Fill in the table with your own values (remember: as one product increases, the other must decrease):

Combination	Product 1: _____	Product 2: _____	Opportunity cost
A			
B			
C			
D			
E			
F			

Use the space below to draw your PPC based on the values in your table. Label the axes, the curve, and mark a point that is efficient, one that is inefficient, and one that is impossible:

My production possibility curve:

Using your table, what is the opportunity cost of moving from combination B to combination C?

 Section 5.1 — Check Your Understanding

Can you explain what points on, inside, and outside the PPC represent?

Can you explain how the PPC illustrates scarcity, choice, opportunity cost, and efficiency?

Can you calculate opportunity cost from a PPC table?

5.1 Shifts of the Production Possibility Curve

Outward shift (to the right)	Inward shift (to the left)

What does an outward shift of the PPC mean for the economy?

What does an inward shift of the PPC mean for the economy?

Use the space below to sketch a PPC showing an outward shift and label the reasons:

PPC with outward shift:

5.2 Reasons for the Shift of the PPC

There are external and internal reasons for shifts. Complete both columns:

External reasons (beyond control)	Internal reasons (can be controlled)
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For each reason, explain how it could cause either an outward or inward shift:

External Reasons

External reason	How it causes an outward shift	How it causes an inward shift
Quantity/quality of factors of production		
Quality of worker training		
Transport and communication		
Interest rates		

Internal Reasons

Internal reason	How it causes an outward shift	How it causes an inward shift
Production methods		
Training of workers		
Investment in capital equipment		

Section 5.2 — Check Your Understanding

Can you distinguish between external and internal reasons for PPC shifts?

Can you give at least two examples of each type?

5.3 Improvement in the Production of One Product

What happens to the PPC if the conditions for producing only ONE of the two products improve?

What stays the same on the graph and what changes?

Use the space below to sketch a PPC that shifts for only one product. Label both axes and show which product improved:

PPC with one-product improvement:

Give a real-life example where technological improvement could shift the PPC outward for one product only:

Section 5.3 — Check Your Understanding

Can you explain and sketch what happens to the PPC when only one product's production improves?

Can you give a real-life example of this?

Module 2.5 — Summary & Self-Assessment

Tick each item when you are confident you understand it.

- ☐ I can define a production possibility curve (PPC).
- ☐ I can explain what points on, inside, and outside the PPC represent.
- ☐ I can explain how the PPC illustrates scarcity, choice, opportunity cost, and efficiency.
- ☐ I can construct my own PPC table and draw the curve.
- ☐ I can calculate opportunity cost from a PPC table.
- ☐ I can explain what an outward shift and an inward shift of the PPC mean.
- ☐ I can distinguish between external and internal reasons for PPC shifts.
- ☐ I can give examples of external and internal reasons for shifts.
- ☐ I can explain and sketch what happens when only one product's production improves.
- ☐ I can apply PPC concepts to real-life examples.

Personal Notes & Questions

Use this space to write down any questions, ideas, or connections you want to explore further: