

Case Study- 1

Class XII Economics

An economy produces only two goods namely, pineapples & mangoes. Given below is the production possibilities schedule of the two goods:

Possibilities	Pineapples	Mangoes
A	0	500
B	200	450
C	350	350
D	425	275
E	475	125
F	500	0

1. Use the information given in the table to construct a PPC.
2. Indicate the following on the PPC diagram. Give Reasons.
 - a. An inefficient production point
 - b. A production point that is unattainable
 - c. An efficient production point
3. Mark the point (300,300) on your diagram. State why this point does not represent an efficient use of resources.
4. What is the shape of the PPC constructed in the diagram? Give reason.
5. Calculate marginal rate of transformation at all production possibilities.

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