

ECO 120: Global Macroeconomics

Week 1 Homework: Production Possibilities Frontiers

Directions: Notice that all problems ask you for a descriptive answer in addition to performing a calculation or manipulating a graphical model. For full credit, make sure that you do both. You may print these sheets and put your answers in the space provided or you may use your own paper to write your answers.

When you have finished, scan or take pictures of your work, combine all images to a single PDF file, assure that all pictures are oriented right-side up, and upload your work as a single PDF file to the Canvas Assignment area. You may use <https://www.easypdfcloud.com/> to combine your images to a single PDF file. The *Scan Document* feature of the *Notes* app on the Apple iPhone can also combine multiple images to a single PDF document.

You may print this document and answer the questions in the space provided or you may use your own paper.

Scenario: The great hypothetical sovereign nation Farmland can grow corn to be used for food or to be used for ethanol. The following table presents hypothetical production possibilities when all resources are used efficiently.

Production Choice	Corn (food)	Ethanol
A	20	0
B	18	5
C	14	10
D	8	15
E	0	20

1. Draw the production possibilities for corn (food) and ethanol. Label the parts of the graph that are attainable but not efficient, most efficient, and not attainable.

