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Questions?

1- what are the components of production?

1. Land: Natural resources used in production, including raw material and agriculture land

2. Labor: human effort involved in producing goods and services

3. Capital: Tools, machinery, buildings, and technology necessary for production

4. entrepreneurship: the ability to organize the other factors and take risks to create goods and services.

2. what are the assumptions for production possibilities curve?

1- resources are limited (land, labor, capital)

2- Two goods only - The curve typically represents the production of two goods or services.

3- full employment: All resources are fully employed meaning there is no unemployment or idle resources.

4- fixed technology

5- Constant opportunity cost

3- what shifts the PPC inward or outward?

shifts outward this means the economy can now produce more of both goods

4- Land -> inclease natural resources a country has Think fertile soil, forests, minerals.
Labor -> workforce, people actully do the work
Capital -> stuff used To produce goods.
entrepreneurship - creative spark, The ability to combaine resources and Take risks To create new Things.

5. The curve -> PPC itself shows The maximum combinations of Two goods That a country can produce with its given resources.
2- Point on The curve
3- Point inside The curve
4- opportunity Cost
5- slope of The curve.