

Econ. 1A. Qize 3. Name: _____, ID. _____.

(1)	(2)	(3)	(4)	(5)
Q_A (Apple)	ΔQ_A	Q_B (Banana)	ΔQ_B	Opp. Cost of apple = $ \Delta Q_B / \Delta Q_A $
0		20		
2		16		
4		12		
6		8		
8		4		
10		0		

a. Under what assumptions we can use data in the above table to describe PPF. [3]

- 1.
- 2.
- 3.

b. Complete (2), (4) and (5). [3]

Is this PPF with increasing opportunity cost? If yes, why? If no, why?

Answer: _____

2. Answer the following questions based on Figure 1. [6]

Let **f = fish** and **F = fruit**

a. US $|\Delta Q_F / \Delta Q_f| = | \ / \ |$.

b. Mexico $|\Delta Q_F / \Delta Q_f| = | \ / \ |$.

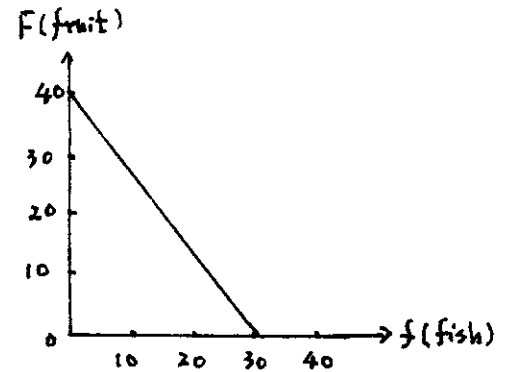
c. Which country has CA in producing Q_f ? _____.

d. Which country has CA in producing Q_F ? _____.

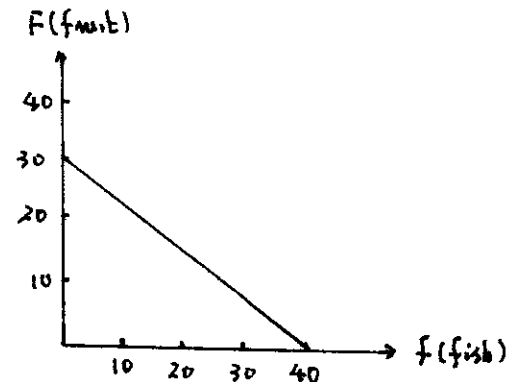
e. If they specialize and trade, find total production of f and F

$Q_f =$ _____, $Q_F =$ _____.

Fig. 1



US



Mexico