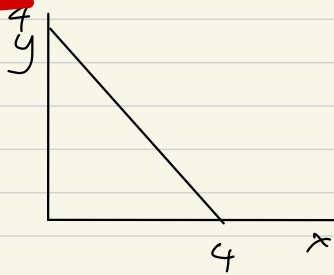
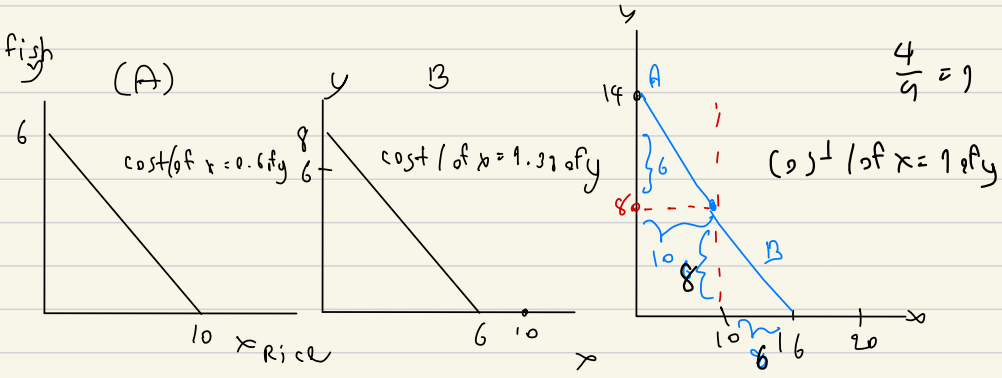


H.W. Farmer C



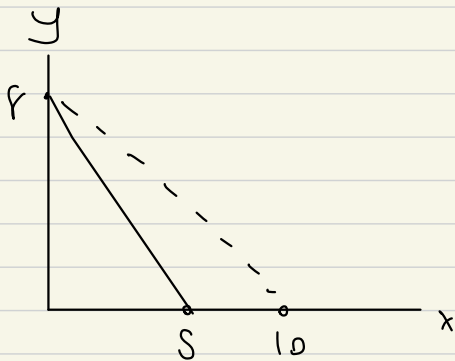
Combine these 3 farmers and draw the PPC



H.U. If the technology of producing x improve so much that the amount of x we can have doubles at all quantities of y , how will the PPC below change?

Cost of x is higher?

Cost of y is higher?



Cost of x before

$$\frac{8}{5} = 1.6 \text{ unit of } y$$

$$\frac{8}{10} = 0.8 \text{ unit of } y$$

Cost of y after

$$\frac{5}{8} = 0.625 \text{ unit of } x$$

$$\frac{10}{8} = 1.25 \text{ unit of } x$$