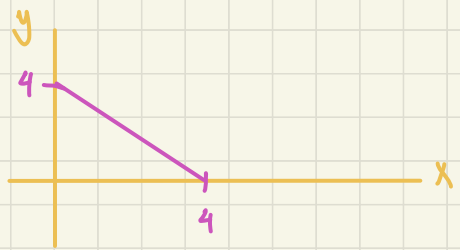


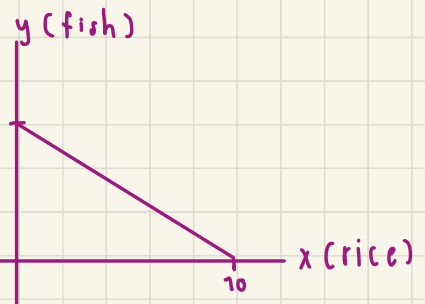
HW. Farmer C



combine these 3 farmers and draw the PPC.

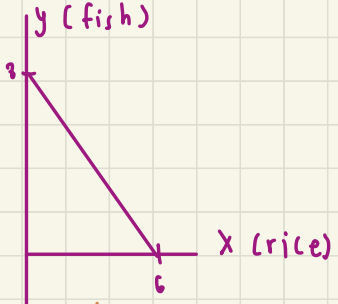
Ans

Farmer A.



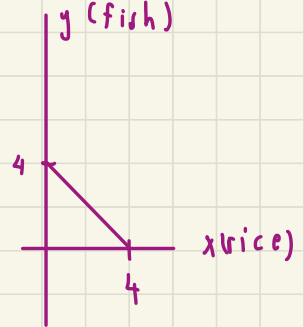
Cost of X = 0.6
Cost of y = 1.67

Farmer B

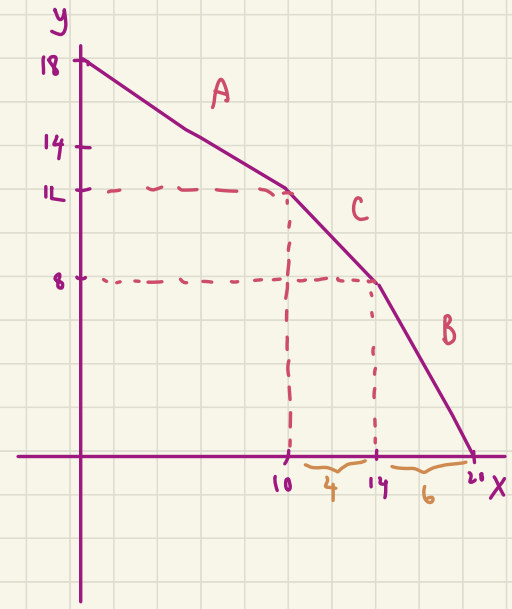


Cost of x = 1.33
Cost of y = 0.75

Farmer C



Cost of x = 1
Cost of y = 1



PPC of farmer A

| x | y |
|---|------|
| 0 | 19 |
| 1 | 17.4 |
| 2 | 16.8 |
| 3 | 16.2 |
| 4 | 15.6 |
| 5 | 15 |
| 6 | 14.4 |
| 7 | 13.8 |
| 8 | 13.2 |

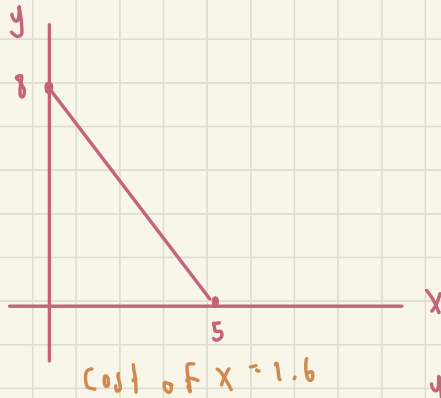
PPC of farmer C

| x | y |
|----|------|
| 9 | 12.6 |
| 10 | 12 |
| 11 | 11 |
| 12 | 10 |
| 13 | 9 |
| 14 | 8 |
| 15 | 6.7 |
| 16 | 5.4 |
| 17 | 4.1 |

PPC of farmer B

| x | y |
|----|-----|
| 18 | 2.8 |
| 19 | 1.5 |
| 20 | 0.2 |

H.W. If the technology of producing X improves so much that the amount of X we can have double at all quantities of y. How will the PPC below change?



Cost of X is higher?

Cost of y is higher?

Ans

Cost of X is lower $1.6 - 0.4 = 1.2$

Cost of y is higher $2.5 - 0.625 = 1.875$

