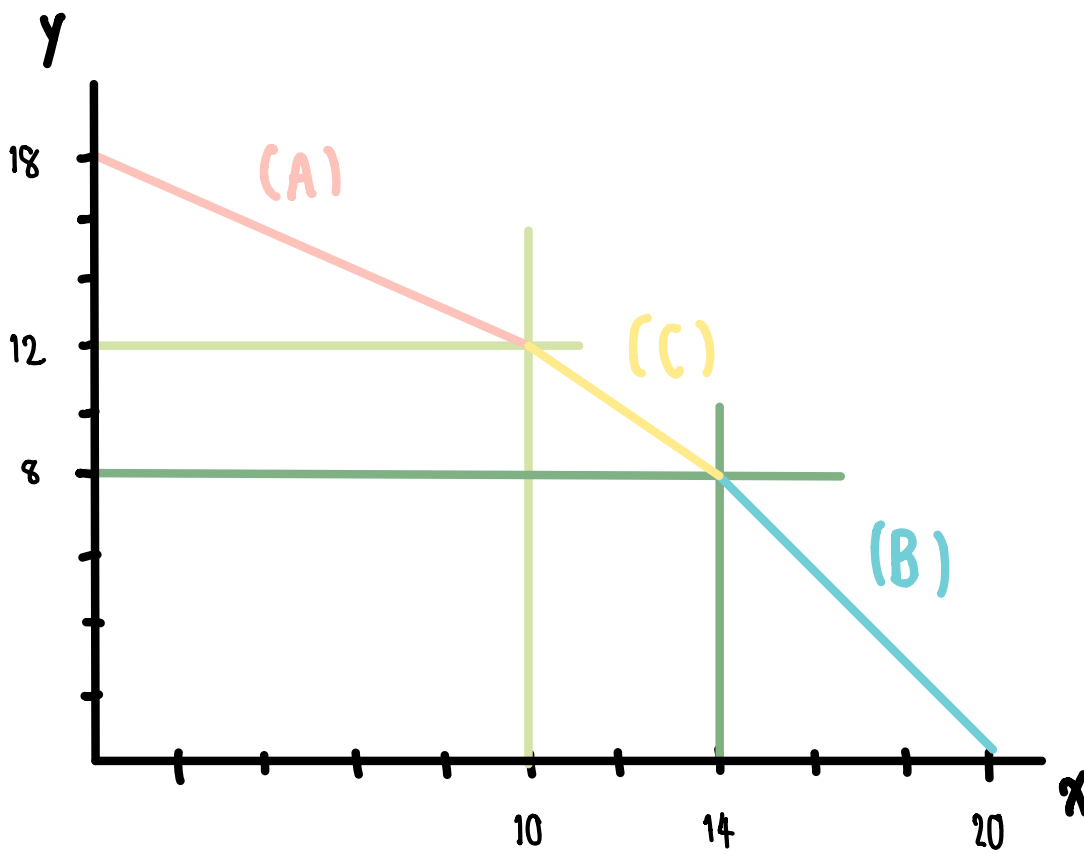
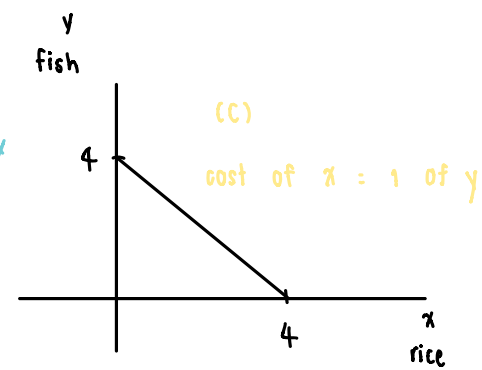
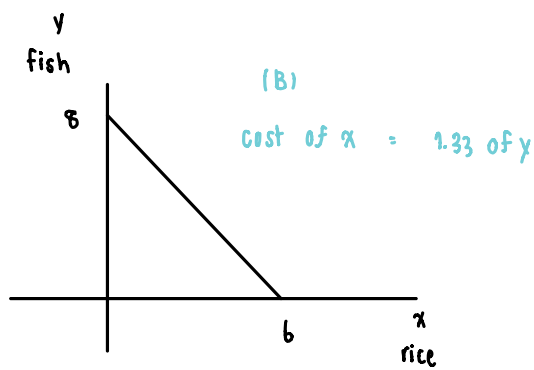
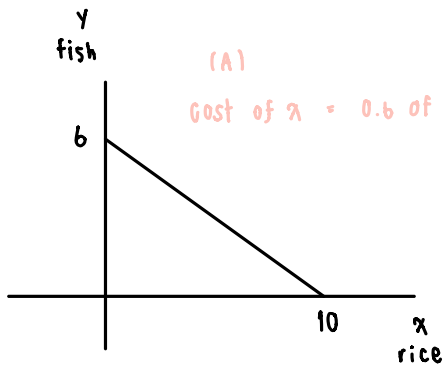


homework

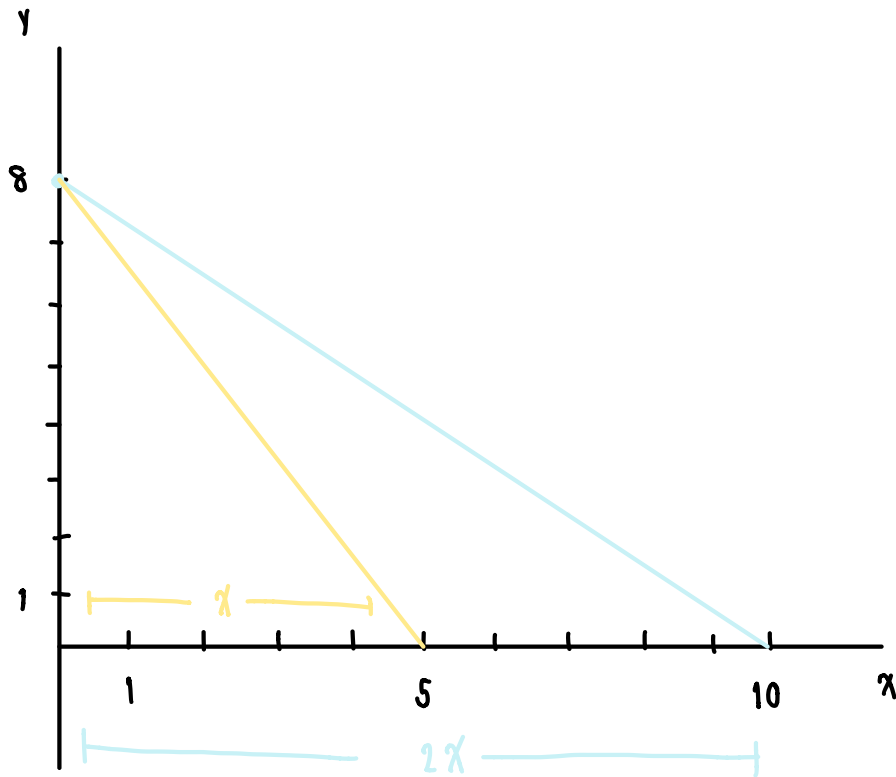
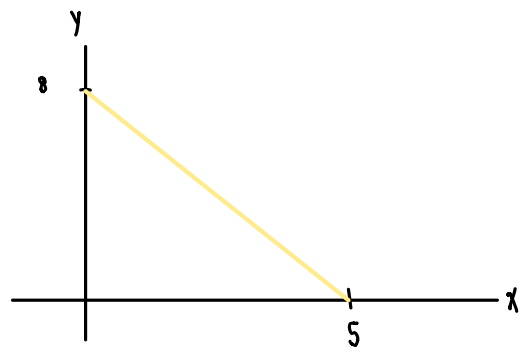
Combine these 3 farmers and draw the PPC.



x	y
0	18
1	17.4
2	16.8
⋮	⋮
10	12
11	11
12	10
13	9
14	8
15	6.67
16	5.34
⋮	⋮
⋮	⋮
20	0

homework

If the technology of producing x improves so much that the amount of x we can have doubles at all qualities of y . How will the PPC below change? Cost of x is higher? Cost of y is higher?



The cost of $y : x$ is changed to $y : 2x$. The slope of the new graph is going to be smaller which means the graph is less steep. The price of y will be higher (due to the increasing of x , we use more x to exchange a single y).