# Production Possibilities Frontier (PPF) Worksheet

Name _____   Per. _____

1) You currently have a job at the Texas Roadhouse and each week your take-home salary is $150.00. As a high-school senior, your only two concerns are saving money for college and spending money to have fun. Complete the following chart and graph the results to create a PPF curve for this scenario.

College Savings	Having Fun
$150	
$125	
$100	
$75	
$50	
$25	
$0	

Savings (y-axis)   **Fun** (x-axis)
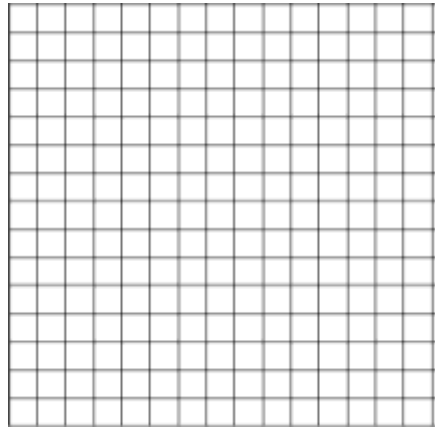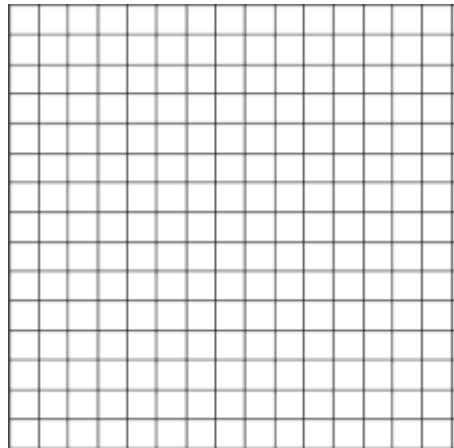
2. In order to save $10 more for college you have to give up $____ spent on fun. That means the opportunity cost of college savings is _____.

3. A bakery can make 150 donuts or 150 hot dog buns per hour or some combination of both.

Donuts	Hot dog buns
0	150
50	140
80	120
110	90
130	50
150	0

Donuts (y-axis)   **Hot Dog Buns** (x-axis)

4. Is it possible to produce 50 of each? _____

5. Why would you want to avoid that? _____

6. What is the opportunity cost of the 150th donut? _____ hot dogs

7. What is the opportunity cost moving from 120 hot dog buns to 140 hot dog buns? _____

How could this bakery shift its PPF out?

   8. How could it change its land? _____

   9. How could it change its labor? _____

   10. How could it change its capital goods? _____

11. Why do economists look at changes like in the above PPF graphs?