Name:_______________________________ Date:____________________

⚖️ Shifts and Movements: Production Possibility Frontiers

📢 **Instructions:** For each scenario, look at how the country's production changes.

1. Draw the original curve as **Curve A**.
2. Draw the new curve (or point) as **Curve B** or **Point B**.
3. Use the **Word Bank** to name the type of change.

💡 **Word Bank:**

- **Outward shift:** The whole curve moves right (capacity increases).
- **Inward shift:** The whole curve moves left (capacity decreases).
- **Pivotal shift:** Only one side of the curve moves.
- **Movement along the curve:** We just choose a different point on the same line.

Scenario 1: Technological Innovation

A new invention makes it much faster to build **consumer electronics**. Producing **agricultural goods** (farming) stays the same and does not get any faster.

Draw your graph here:

Y-axis: Agricultural Goods

X-axis: Consumer Electronics

Type of Change: ____________________________________

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Explain why: This is a shift because only the ________________ sector got better at making things.

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Scenario 2: Natural Disaster

A massive earthquake destroys a country's factories and roads. This makes it harder to produce both **capital goods** and **consumer goods**.

Draw your graph here:

Y-axis: Capital Goods

X-axis: Consumer Goods

Type of Change: ______________________________

Explain why: The curve moves **inward** because the earthquake _______________ factories, which reduces the total capacity.

Scenario 3: Reallocation of Resources

A country decides to produce fewer **private cars** so it can use those same workers to build more **public transport** vehicles. No new workers or machines are added.

Draw your graph here:

Y-axis: Private Cars

X-axis: Public Transport

Type of Change: ______________________________

Explain why: There is no shift because the country still has the same amount of _______________. They are just choosing to make something else.

Scenario 4: Expansion of the Labour Force

Millions of new skilled workers move into the country. This helps the country produce more in both the **healthcare** and **education** sectors.

Draw your graph here:

Y-axis: Healthcare

X-axis: Education

Type of Change:

Explain why: The curve moves **outward** because more workers means the country's most it can produce (capacity) has ________________.

Answer Key

Graph should show a pivotal shift outward on the X-axis (Consumer Electronics), while the Y-axis intercept (Agricultural Goods) remains the same.

Asymmetric (pivotal) outward shift. The technological advance only benefits one sector (electronics), expanding the capacity to produce those goods without changing the maximum capacity for agriculture.

Graph should show a parallel inward shift of the entire PPF curve.

Inward shift. The destruction of infrastructure and machinery represents a loss of the factors of production (capital and land), reducing the economy's total productive capacity for all goods.

Graph should show a single PPF curve with an arrow pointing from Point A (higher on Y-axis) to Point B (further along X-axis).

Movement along the curve. The total resources and technology have not changed, so the capacity remains the same. The economy is simply choosing a different combination of output, demonstrating opportunity cost.

Graph should show a parallel outward shift of the entire PPF curve.

Outward shift. An increase in the quantity and quality of labour increases the economy's maximum potential output, shifting the entire frontier outward for both sectors.