

Production possibility curve (PPC)

Meaning

production possibilities curve is a curve showing different possible combinations of two goods which can be produce with the available resources and Technology

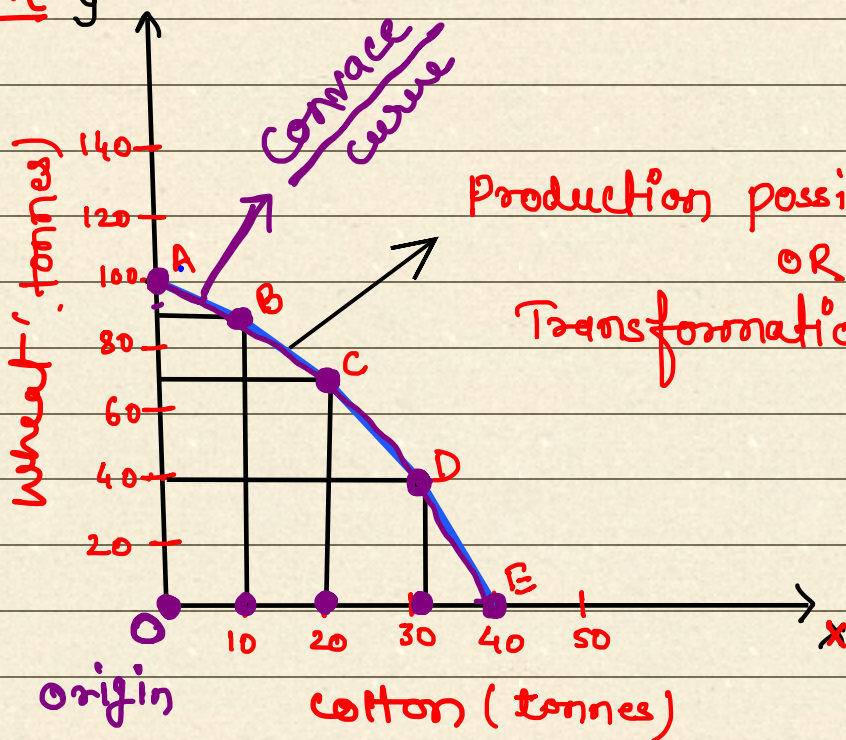
Assumption

- Resources are given and remains constant
- Given resources are fully & efficiently utilised.
- Technology remains constant.

Schedule

Combination	Wheat	Cotton
A	100	0
B	90	10
C	70	20
D	40	30
E	0	40

4) Graph



Production possibility curve
OR
Transformation curve

Sacrifice - wheat
→ y axis
Gain - cotton
→ x axis

Explanation of graph

- Qty of wheat is shown on x -axis
- Qty of apple is shown on y -axis
- point A, B, C, D, E shows different possible combination
- Joining all these points, we get AE curve. It is PPC