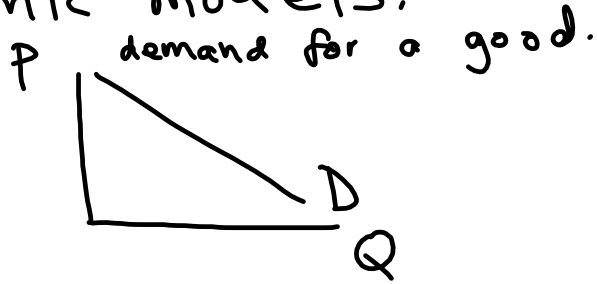
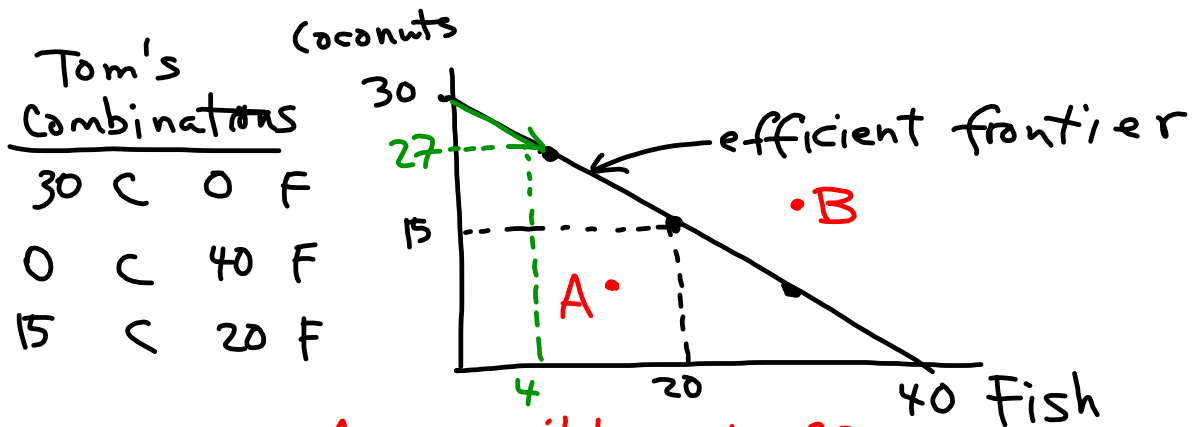


ceteris paribus -
all else equal

assumption behind most
economic models.



Topic: Production Possibilities
Curve (or Frontier)



A - possible, not efficient
B - impossible

Full-resource equation:

$$30C = 40F$$

opp. cost of
coconut

$$\frac{30C}{30} = \frac{40F}{30}$$

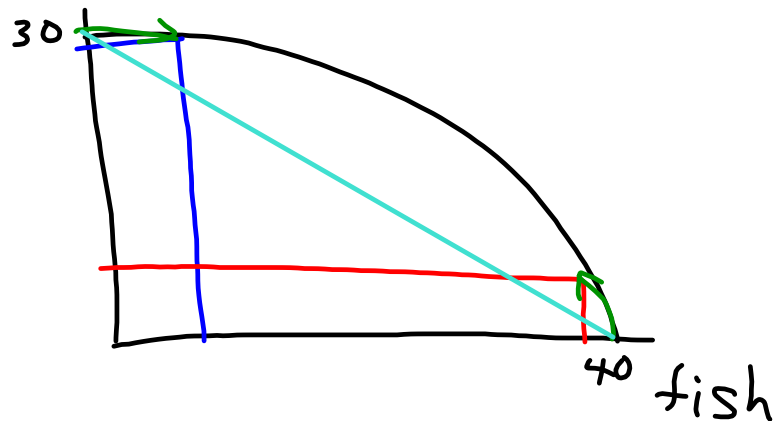
$$C = \frac{4}{3}F$$

opp. cost of
fish

$$\frac{30C}{40} = \frac{40F}{40}$$

$$\frac{3}{4}C = F$$

coconuts more realistic PPC



econ. growth is represented
by shift out of PPC

