

Solutions

Each answer shows the steps, then the **result**.

2.1

- the value of the next-best alternative given up when a choice is made

2.2

- an inefficient use of resources (some are idle or wasted)

2.3

- phones fall from 40 to 25, a loss of 15 phones; so the 5 cars cost 15 phones

3.1 B

3.2 C

3.3

(a)

- an efficient, fully-employed use of all resources

(b)

- more/better resources or improved technology

(c)

- butter falls by 8, so the extra 5 guns cost 8 butter