Solutions

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

2.1

- an efficient, fully-employed use of all resources

2.2

- the opportunity cost increases as more of a good is produced

2.3

- cloth falls from 30 to 20, a loss of 10 cloth; so 4 wheat cost 10 cloth

3.1 B

3.2 B

3.3

(a)

- it shifts outward

(b)

- economic growth

(c)

- yes