Solutions

IGCSE Economics answers are marked by **level of response**: award **K** knowledge, **App** application, **An** analysis and **Ev** a justified judgement.

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

2.1

- a point inside the PPC means resources are **not all used**
- **waste / unemployment** — the economy could make more (K)

2.2

- a **production possibility curve** shows the **maximum** of two goods an economy can make when it uses all resources fully (K)

2.3

- any **two** of: **more resources** (bigger workforce, more land) / **better resources** / **new technology** / **training** (K, K)

3.1 B

- an **outward shift** of the PPC is **economic growth** (K)
- A is inside the curve; C is a movement along it; D is not a shift

3.2

- draw a labelled PPC: capital goods vs consumer goods (K)
- to make more capital goods the economy **moves along** the curve (An)
- it must make fewer consumer goods — the **forgone consumer goods** are the opportunity cost (An)

3.3

- **for**: more of both goods, higher living standards, more jobs (K + An)
- **against**: growth may use up non-renewable resources, cause pollution, or need fewer consumer goods now (An)
- **judgement (Ev)**: moving the PPC outward usually helps, but **sustainable** growth is better than growth that harms the environment