

Production Possibilities Activity

1. Record your production possibilities in the table below. Then, chart the production possibilities on the Cartesian plane by graphing both points. This should create a negative slope.

	Stencil 1:	Stencil 2:
Production Possibility		

2. Plot 5 points on the line EXACTLY by calculating opportunity cost and plotting those points.

To calculate opportunity cost, you are trying to figure out, what am I "giving up" to produce this other thing?

- So, divide the number of Stencil 1 by the number of Stencil 2 to determine the "cost" of creating one stencil (and vice versa). *The cost of producing one stencil is x of the other stencil.*
 - o $\text{Units of S1} / \text{Units of S2} = \text{Cost of S1}$
 - o $\text{Units of S2} / \text{Units of S1} = \text{Cost of S2}$

	Stencil 1:	Stencil 2:
Opportunity Cost	Stencil 2's	Stencil 1's

