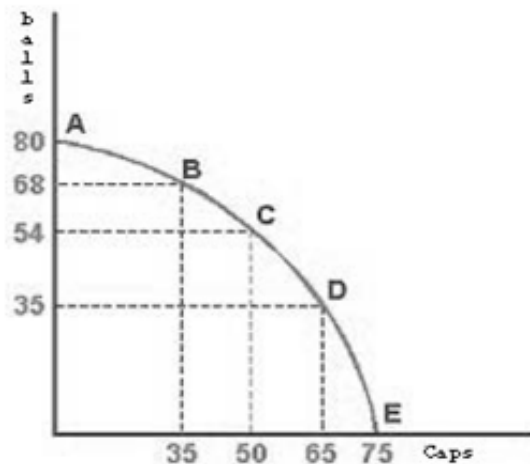


Give an example of each of the four factors of production for Old Navy	
Land:	Labor:
Capital:	Entrepreneurship:

All consumers, producers, and sellers must make choices because resources are scarce. Describe one choice that a Kroger customer and a Kroger store manager might have to make due to a scarcity of resources.	
<i>Kroger Customer</i>	<i>Kroger Store Manager</i>



Assume that the Production Possibilities Curve displayed above represents a business's output for one week.

1. How many Caps are being produced at Point B?
2. Starting from Point B, what is the opportunity cost of producing 15 more Caps?
3. Why might this company only produce 35 Balls and 35 Caps in a week?
4. What would have to happen for this company to produce 50 balls and 60 Caps in the same week?

In the Guns vs. Butter PPC, "Guns" represents government spending on \_\_\_\_\_.

In the Guns vs. Butter PPC, "Butter" represents \_\_\_\_\_ spending on civilian goods.