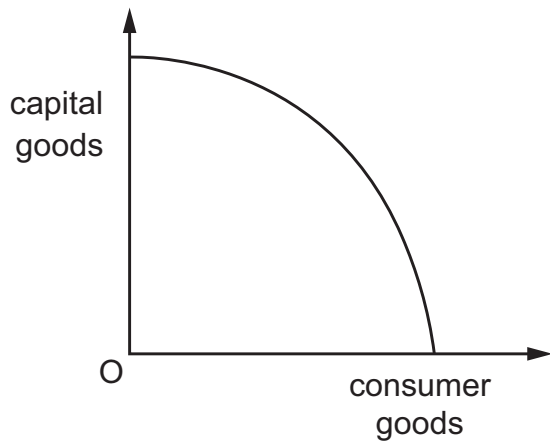


- 3 The diagram shows a production possibility curve for an economy that produces capital goods and consumer goods.



Why is the production possibility curve drawn concave to the origin?

- A Capital goods are a more labour-intensive output than consumer goods.
- B Consumers always seek to maximise their satisfaction from consumption.
- C Profit maximisation for firms always ensures efficiency in production.
- D Some resources are more efficient in production of some goods than others.