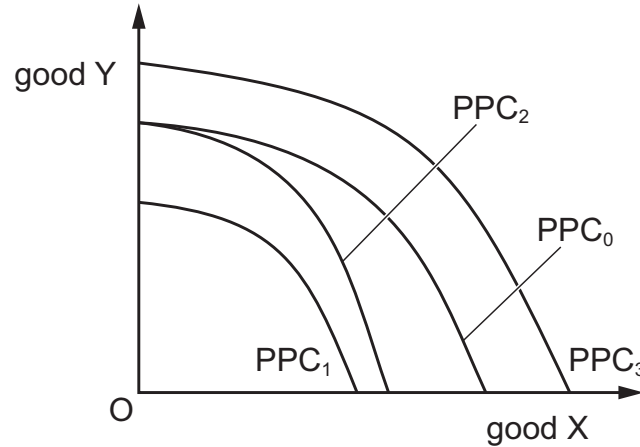


- 5 The diagram shows a production possibility curve (PPC) for an economy that produces two goods, X and Y. Both goods require labour to produce. The initial position of the PPC is at PPC_0 .



What is the effect on the PPC following the emigration of a large number of workers?

- A the PPC remains at PPC_0
- B the PPC shifts from PPC_0 to PPC_1
- C the PPC shifts from PPC_0 to PPC_2
- D the PPC shifts from PPC_0 to PPC_3