United Motors Production

1. Produce 1000 cars
   0 trucks
   yes

2. Produce 300 trucks
   0 cars
   yes

3. Produce 500 cars
   ≈250 trucks
   yes

4. Produce 200 trucks
   ≈950 cars
   no, about 600 cars with 200 trucks

5. Why is "f" impossible?

Yes, they would need a bigger factory, mc

- Resources aren't meant to have that much production
- To produce more of the item would not bring benefits
- Don't have the capacity

6. Why is "e" inefficient? Why inefficient?
   - they have resources to produce more but aren't (waste)
   - they aren't selling enough to make the cost of resources back
   - not producing the number of products as demands

good

7. Opportunity cost in terms of cars when producing 0 - 100 trucks
   - still being able to produce 900 cars

The opp'y cost would be 100 cars. So about 1 car per additional truck.

8. The opportunity cost of cars when producing trucks is making and selling less cars.

The opp'y cost would be 600 cars. So about 6 cars per additional truck.

9. What would cause expansion?

1. They are more efficient
2. More resources and space to produce
3. Selling enough to make back more money

yes: 1) they got more efficient, 2) they enlarged their factory, 3) they increased their workforce, 4) they bought better equipment/machinery

10. car: 1,000 / per — 900 cars → 900,000

truck: 1,500 / per — 100 trucks → 150,000

Total Net: $1,050,000 / day correct