

Opportunity Cost

Objective: Identify opportunity costs.

Directions: In each of the following scenarios, identify the opportunity cost.

1. Jim and Joan are interested in purchasing a tractor, but they do not know enough about the various features they want. There was an auction nearby that was selling used tractors, which would be less expensive than a new one. Jim and Joan decided to go to a farm show to get information and to see model tractors. What is their opportunity cost?

2. Jennifer mows lawns every summer and receives a total of \$345. Instead of mowing lawns this year, she plans on raising sheep for an SAE and helping her brother at his dog kennel. What is Jennifer's opportunity cost?

3. Alice detassels corn with a group of people from her town. On average she earns \$600 a year. This year she decided to visit her grandmother instead of working. What is her opportunity cost?
