

Opportunity Cost Notes

→ Watch the video (available on the blog or at <https://tinyurl.com/opnotes1>).

1. The basic economic problem is the issue of _____.
2. Everyone has the same number of hours in a day, but we all make different decisions about what we do, what we choose to do, and how we spend our time...what determines these choices is _____.
3. Every time you make a _____, there's a certain _____ you place on that choice.
4. Every choice was a _____ to you; when you choose one thing over another, you're saying to yourself: "I value this _____ than another choice I had."
5. The opportunity cost of choice is what you _____ to get it.
6. Value has 2 parts: _____ and _____.
7. The best choice= Greatest _____ and the _____ cost.
8. The _____ is the _____ of the choice we could have had.

Practice Questions

Directions: Read each situation carefully. Then, identify the opportunity cost and the trade-offs.

1. Kim is trying to decide where she wants to go out to dinner. She narrows down her options to Blaze Pizza, Panera Bread, Olgas, and Panda Express. She really wants to eat at either Blaze Pizza or Panda Express. Ultimately, she choose Panda Express.
 - a. What is her opportunity cost of eating at Panda Express?
 - b. What were her trade-offs?
2. Ali's parents tell him he can only play 1 sport during the fall. He really likes football, soccer, and tennis. He narrows his choices down to soccer or tennis, but ultimately chooses to play soccer.
 - a. What is Ali's opportunity cost of playing soccer?
 - i. What was his trade-off?

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