Opportunity Cost and Marginal Choice

College | Economics | Introductory

Learner: _____ Date: _____

For each situation, identify the next-best alternative given up and the relevant marginal comparison.

A student studies one more hour instead of working a paid shift.

Answer: _____

A firm produces one more table instead of two chairs with the same resources.

Answer: _____

A city funds one park project instead of its next-best eligible project.

Answer: _____

A traveler upgrades a ticket instead of keeping the price difference.

Answer: _____

Grown-up check: Opportunity cost is the value of the next-best alternative, not every possible alternative or only the money spent.

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