**Notes for ‘Vault\_Guide2007’**

Basic Concepts and Frameworks

**Cost-benefit analysis** – ‘weigh the pros and cons’

**Internal vs. external market factors**

**Fixed vs. variable costs** - When making decisions in the short run, only variable costs should be considered since the company can’t change its fixed costs in the short run.

**Opportunity cost** - try to examine all possible opportunity costs that the subject of the case might incur by making or not making a particular decision.