

Opportunity Cost Practice Worksheet

Analyze real-world decisions using opportunity cost thinking

Part 1: Identifying Opportunity Costs

Scenario 1: Part-Time Job Decision

You're offered a part-time job that pays \$15/hour for 15 hours per week. However, accepting it means you'll have less time for studying and extracurricular activities.

a) What is the monetary benefit of taking this job?

Write your answer here...

b) What are THREE opportunity costs of taking this job?

List three opportunity costs...

c) How would you make this decision using opportunity cost analysis?

Explain your decision process...

Hint: Consider the value of study time on your grades, extracurricular activities on college applications, and social time on your well-being.

Scenario 2: College Choice

You're deciding between State University (total cost: \$15,000/year) and Private University (total cost: \$40,000/year). Both offer similar programs.

a) What is the direct cost difference between these options?

Write your answer here...

b) What is the opportunity cost of choosing Private University?

Calculate and explain...

c) What factors beyond direct costs should you consider?

List additional factors...

Hint: Think about what you could do with the \$25,000/year difference. Consider internships, networking opportunities, and program quality.

Part 2: Real-World Application

Scenario 3: Buying vs. Leasing a Car

You need transportation. Option A: Buy a used car for \$8,000. Option B: Lease a new car for \$250/month (3 years).

a) Calculate the total cost of each option over 3 years:

Show your calculations...

b) What are the opportunity costs of spending \$8,000 upfront on a car?

Consider alternative uses for \$8,000...

c) What non-financial factors affect this decision?

List non-financial considerations...

Scenario 4: Weekend Time Allocation

You have Saturday free. You can: (A) Work 8 hours for \$120, (B) Study for upcoming exams, or (C) Attend a networking event.

a) If you choose to work, what are your opportunity costs?

Identify what you give up...

b) How can you estimate the value of studying or networking?

Explain how to value non-monetary options...

c) Which option would you choose and why?

Justify your choice using opportunity cost thinking...

Part 3: Personal Decision Analysis

Your Personal Decision

Think of a real financial decision you're currently facing or will face soon.

a) Describe the decision and your main options:

Describe your decision and options...

b) For each option, identify the opportunity costs:

List opportunity costs for each option...

c) Which option has the lowest opportunity cost? Explain.

Analyze and explain your conclusion...

d) What did you learn about your decision through this analysis?

Reflect on insights gained...

Reflection Questions

1. How does considering opportunity cost change the way you think about decisions?

Your reflection...

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2. When is opportunity cost most important to consider?

Your answer...

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3. How can you apply opportunity cost thinking to everyday choices?

Provide examples...

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