









If they tie up their resources, their business must generate  
**more than** what these resources make separately

Leo's  
Time

Winston's  
Money

Jose's  
Land

The business  
must generate  
more than

**Implicit Costs \$137,000**







Winston's  
Money

Leo's  
Time

Jose's  
Land

The business  
must generate  
more than

**Implicit Costs \$137,000**

If they they don't take home **more money than** what they were earning on their own, the business is not profitable