



Leo's
Time



Winston's
Money

If they pool their resources to start a business



Forgone
Salary



Jose's
Land



Forgone
Rent



Forgone
interest



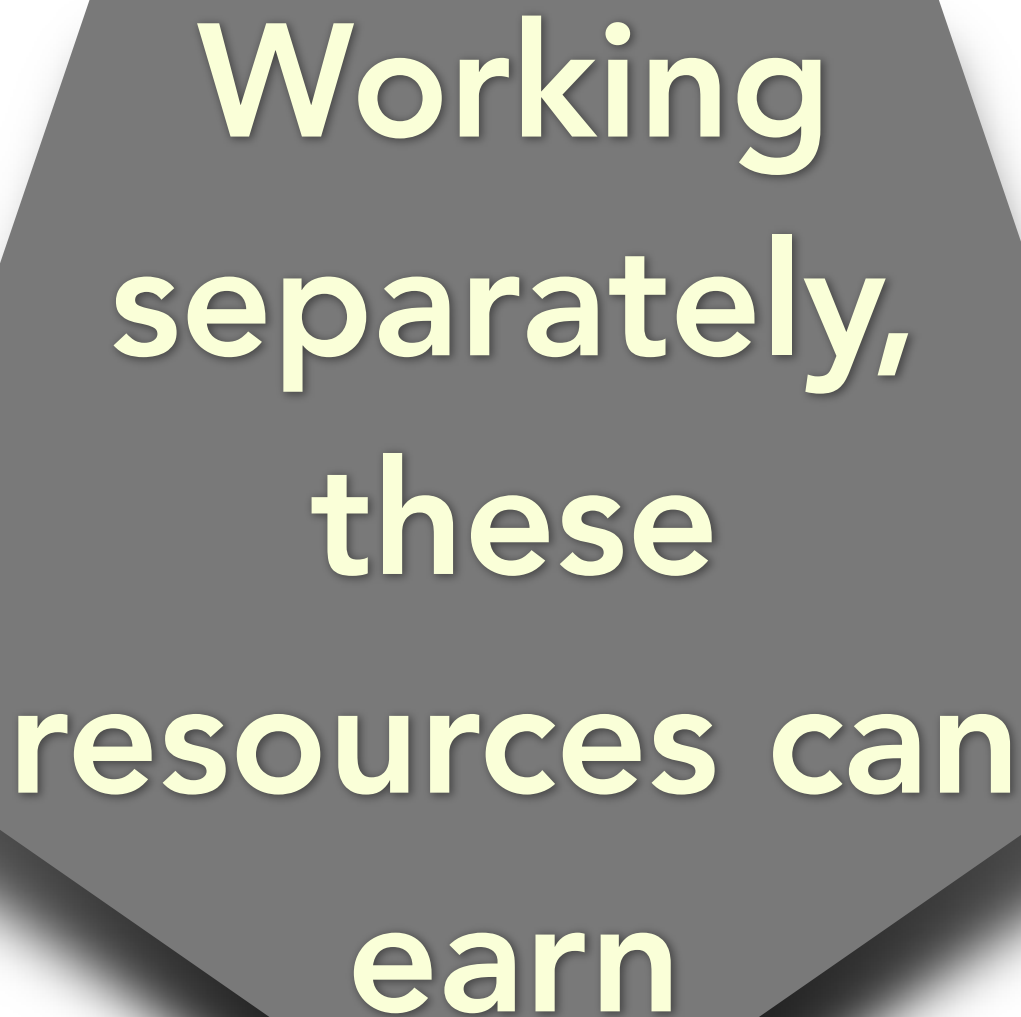
\$80,000



\$50,000



7% of
\$100,000



**Working
separately,
these
resources can
earn**

$$80,000 + 50,000 + 7,000 = 137,000$$

The **Implicit** Costs of Running a Business

There is \mathcal{NO} explicit cost but there is an implicit cost for each

\$137,000

The **Implicit** Costs of Running a Business

