

If you do not pick up the \$100 bill on the ground...

Out of pocket
expense

\$0

\$100



Explicit Cost

Implicit Cost

Money you could
have had



Explicit Cost = \$0



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Implicit Cost = \$100

Opportunity Cost

If you do not pick up the \$100 bill on the ground...

Explicit Cost



Out of pocket
expense

\$0

Explicit Cost = \$0

Implicit Cost



Opportunity Cost
Money you could
have had

\$100

Implicit Cost = \$100

