



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
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more than

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