

HW#1 Due January 18, 2022

HW: From the table given in the previous example,

Choice	Value	Opportunity Cost
A	100	70
B	70	100
C	50	100

if the decision maker can choose 2 out of 3 choices, fill in the following table

Choice	Value	Opportunity Cost
A + B	$100 + 70 = 170$	150 ★★ Choose
A + C	$100 + 50 = 150$	170
B + C	$70 + 50 = 120$	170

Show that the decision to maximize value will give the same decision as the one to minimize opportunity cost.