

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	170	A+C 150
A+C	150	A+B = 170
B+C	120	B+A = 170

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

I choose A+B because it maximize the value at 170 and minimize the opportunity cost at 150.