

## HW#1 Due January 18, 2022

HW: From the table given in the previous example,

Choice	Value	Opportunity Cost
A	100	
B	70	
C	50	

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	Choosing A+B ; forego A+C
A+C	150	A+B = 170	Choosing A+C ; forego A+B
B+C	120	A+B = 170	Choosing B+C ; forego A+B

The next best thing you have to forego

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

∴ Choosing A+B will maximize the value at 170 and minimize opportunity cost at 150