

Opportunity Cost

View the You-Tube Video at <http://www.youtube.com/watch?v=KykTi82RMz8>
and answer the following.

Opportunity cost may be defined as the:

- a) Dollar cost of the next best alternative resources for producing a particular product.
- b) Dollar price paid for a particular product.
- c) Most desired goods or services that are forgone in order to obtain a particular good.
- d) Dollar cost of producing a final good or service.

Answer _____

Answer: c.

Opportunity cost is the foregone benefit of your next best alternative. The benefit you would have gotten from making a different choice.