Opportunity Cost and Trade Off Identification Practice Questions

1. Mary is a farmer in Iowa. On her farm, she can grow 200 lbs. of corn or on the same land she can raise 50 pigs or some combination in between. Mary decides to grow 100 lbs of corn and raise 30 pigs.
	1. What is the trade-off Mary had to make? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
	2. What is the opportunity cost of Mary’s decision? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. Tony is a wheat farmer, but he also spends part of his day teaching guitar lessons. Due to the popularity of his local country western band, Farmer Tony has more students requesting lessons. But he doesn’t have the time for all the students if he is to also maintain his farming business. Farmer Tony charges $25 an hour for his guitar lessons. One spring day, he spends 10 hours in his fields planting $130 worth of seeds on his farm. He expects that the seeds he planted will yield $300 worth of wheat. **If Farmer Tony decides to spend a day planting in his field, what is his opportunity cost?** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. **During the time when she answered these questions, Susannah could instead have practiced her violin or done her French homework. She thinks that if she hadn't taken the quiz, she would have done her French homework. What was the opportunity cost of answering these questions? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
4. If you pay $5,000 a year in tuition and give up $20,000 a year of income to attend college, then the opportunity cost of college is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. Lexi is searching Amazon.com for new music. She sees an album she thinks looks interesting and considers purchasing it. The cost is $15 which is about two hours of wages for her. She can also buy a new pair of sunglasses with that money. **What is the opportunity cost for Lexi if she decides to but the album?** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_