

Choices Have Costs

Read closely to find the choice and the next best alternative.

SS.4.FL.2.4 “Discuss that whenever people buy something, they incur an opportunity cost. Opportunity cost is the value of the next best alternative that is given up when a person makes a choice.”

NAME _____

DATE _____

1 READ AND MARK _____ Read it twice

YOUR JOB Underline each thing Nia buys. Circle the next best alternative she gives up for each purchase, because that choice shows her opportunity cost.

Nia at the Market

- ① On Saturday, Nia took \$12 to the community market. She wanted a sketchbook for \$8, a jump rope for \$7, and a fruit cup for \$4. Nia could not buy all three. She thought about what she wanted most. At the art table, she bought the sketchbook. She had \$4 left, so she also bought the fruit cup.
- ② Buying the sketchbook meant Nia gave up a chance to buy the jump rope with that \$8. The jump rope was her next best alternative, or the choice she valued most after the sketchbook. Its value is Nia's opportunity cost for buying the sketchbook. Opportunity cost is not every thing a person does not buy. It is the one best choice given up.
- ③ Then Nia used her last \$4 for the fruit cup. She gave up buying a pack of stickers that also cost \$4. Nia liked the fruit cup more than the stickers at that time. The stickers were the next best alternative for her last \$4. Their value was the opportunity cost of buying the fruit cup. People face an opportunity cost whenever they buy something.

2 ANSWER WITH EVIDENCE Use the passage

1 What two things did Nia buy at the market?

2 What was Nia's next best alternative when she bought the sketchbook?

3 Why was the jump rope Nia's opportunity cost for buying the sketchbook?

4 What was the opportunity cost of buying the fruit cup?

3 YOUR TURN Your own words

Write two sentences about a purchase you could make. Name what you would buy and the next best choice you would give up, then explain the opportunity cost.

PART 1 • READ AND MARK

Underline each thing Nia buys. Circle the next best alternative she gives up for each purchase, because that choice shows her opportunity cost. Accept any marking that follows this job and points at the right text.

PART 2 • ANSWERS

#	QUESTION	ANSWER
1	What two things did Nia buy at the market?	Nia bought a sketchbook and a fruit cup.
2	What was Nia's next best alternative when she bought the sketchbook?	The jump rope was her next best alternative.
3	Why was the jump rope Nia's opportunity cost for buying the sketchbook?	Nia gave up buying the jump rope, which was the choice she valued most after the sketchbook.
4	What was the opportunity cost of buying the fruit cup?	The value of the pack of stickers was the opportunity cost.

PART 3 • YOUR TURN (SAMPLE ANSWER)

I bought a \$5 comic book instead of a \$5 puzzle. The puzzle was my next best alternative, so its value was my opportunity cost.

Accept any realistic purchase and a clearly named next best alternative that is given up. The response must explain that the value of that one alternative is the opportunity cost.