The Bus Pass

Use a decision model to weigh incentives, costs, and consequences.

S.WG.g “using economic decision-making models to analyze and explain the incentives for and consequences of a specific choice;”

NAME ______________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB Underline the option Jordan chooses, circle the incentives and costs he considers, and number two predicted consequences of his choice to trace how the decision model leads to a result.

Jordan's Monthly Choice

1 Jordan has a choice about getting to soccer practice. He can pay $2 for each bus ride, ask his older sister for a ride, or buy a monthly youth bus pass for $28. He usually travels to practice four days each week, plus games on some Saturdays. Jordan lists each option in a decision model. He compares money, travel time, reliability, and effects on other people. The model helps him look beyond the price of one ride and predict results of a repeated choice.

2 Buying the pass has a financial incentive. If Jordan rides the bus fifteen or more times in a month, the $28 pass costs less than paying $2 per ride. It also gives him a predictable way to travel when his sister has work. However, he must pay $28 at once, even if rain cancels practices. A bus trip takes about fifteen minutes longer than a car ride. Choosing the pass means giving up some money he could have used for new soccer gloves. That forgone next-best option is his opportunity cost.

3 Jordan estimates that he will take eighteen bus rides next month. His model shows that the pass would save him $8 compared with separate fares. He decides to buy it. The decision may reduce pressure on his sister, who can keep her work schedule. It may also make Jordan leave home earlier and spend less time before practice. If his team adds extra games, the pass becomes an even better value. If several practices are canceled, paying separately might have been wiser. Jordan can review the result next month before deciding again.

2 ANSWER WITH EVIDENCE

Use the passage

1. What choice does Jordan make? Name the two other options in his decision model.

2. How does riding the bus fifteen or more times create a financial incentive to buy the pass?

3. What is Jordan's opportunity cost if he buys the bus pass?

4. Describe one condition that could make Jordan reconsider buying the pass. Explain why.

3 YOUR TURN

Your own words

Choose a realistic decision about spending, saving, or using time. Complete the table to compare two options, then state your choice and reason in the Decision reason column.

OPTION	INCENTIVE OR BENEFIT	COST OR CONSEQUENCE	DECISION REASON

ANSWER KEY **The Bus Pass** GRADE 8 · S.WG.g

PART 1 · READ AND MARK

Underline the option Jordan chooses, circle the incentives and costs he considers, and number two predicted consequences of his choice to trace how the decision model leads to a result. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	What choice does Jordan make? Name the two other options in his decision model.	**He buys the monthly youth bus pass. His other options are paying $2 for each bus ride and asking his older sister for rides.**
2	How does riding the bus fifteen or more times create a financial incentive to buy the pass?	**At fifteen or more rides, the $28 pass costs less than paying $2 for every ride.**
3	What is Jordan's opportunity cost if he buys the bus pass?	**He gives up money he could have used for new soccer gloves.**
4	Describe one condition that could make Jordan reconsider buying the pass. Explain why.	**If several practices are canceled, he may take too few rides for the pass to be the better value. Paying separately might then be wiser.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

OPTION	INCENTIVE OR BENEFIT	COST OR CONSEQUENCE	DECISION REASON
Buy a $25 game	I can play it now and join friends online.	I cannot add $25 to my headphone savings, and I may have less time for homework.	Not chosen
Save the $25 for headphones	I move closer to buying headphones and keep money for later.	I cannot play the new game now.	I choose to save because the future benefit matters more to me than playing the game now.

Accept equivalent descriptions of incentives, costs, opportunity costs, and consequences that are supported by the passage. For the open task, accept varied realistic choices when both options are compared and the stated choice has a logical reason.