

1.5.5 Business Choices



Starter:

* James is an entrepreneur. He sells hats at festivals on a stall. He now wants to grow his business.
* He has a decision to make:
  + **OPTION A:** he can rent another stall
  + **OPTION B: he** could sell his hats, on another stall through another trader, who will charge him commission for every hat sold
  + He cannot do both – which should he choose?
* Justify your decision
* Possible answer to starter

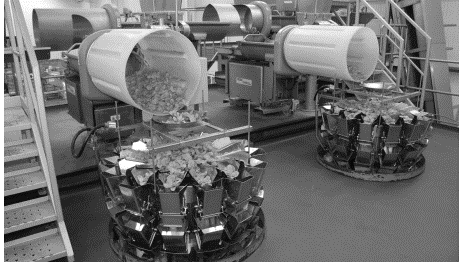
Write a definition of opportunity cost here:

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Opportunity cost – the problem

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**Choices and potential trade-offs**

Trade-off defined

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Trade-off example – scarves

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**Cars Vs Vans**

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Opportunity cost\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

