



Economics

4Z Economics (Morning Talk)

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Angela: Good morning, everyone! Today, we have an interesting economic concept to share in our morning talk. We are going to talk about "opportunity cost".

Understanding this concept is crucial for making smart decisions. Let's explore it together!

Andy: Angela, what does opportunity cost mean? Can you tell our fellow schoolmates?

Angela: Sure! Opportunity cost is the value of the next best option that we give up when making a choice. It's the opportunity that we lose in doing something.

Andy: Your explanation helps me understand the concept a bit more. Angela, why is opportunity cost important? Will it affect our daily decisions?

Angela: Opportunity cost is important because it guides us to consider the trade-offs of our choices. Through understanding what we have to give up in a decision, we can evaluate the benefits and drawbacks and thereby make better decisions. Andy, can you provide an example to illustrate opportunity cost?

Andy: Of course! Suppose you have \$100 and you can either buy a book or save for watching a movie later. If you choose to buy the book, you give up the enjoyment you could have from watching the movie. This is the opportunity cost of buying a book. On the other hand, if you save the money, the opportunity cost is giving up the knowledge that you could have gained from the book.

Angela: That's great! Your example helps me understand the costs or drawbacks in certain decision or action. The concept of opportunity cost reminds me that in making a decision, I have to consider the value that is given up also.



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Andy: In my example, there is a choice between buying a book or watching a movie. But other people may not have the same choice as mine. Then the opportunity cost varies. It explains why different people make different decisions.

Angela: Andy, your sharing inspire me on economic concept. Thank you for your insights!

Andy: You're welcome! Opportunity cost is just one of the economic concepts applicable in daily life. There are still many others. Hope that you enjoy studying Economics! Angela, have a fantastic day!

Angela: Andy, have a fantastic day too. Thank you everyone!