

Homework Practice Assignment 1

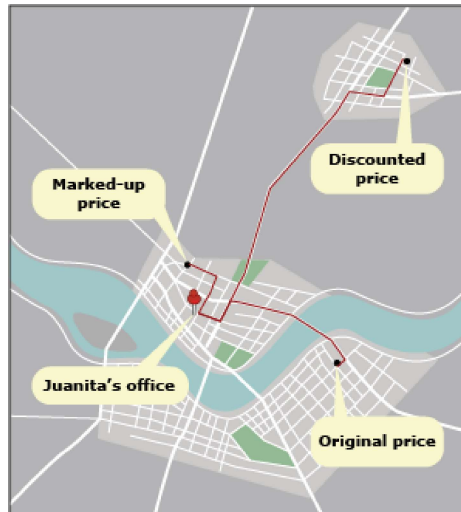
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Due Saturday 10.21.17 at 11:45 PM

Attempts: Score: / 2

9. Determining opportunity cost

Juanita is deciding whether to buy a dress that she wants, as well as where to buy it. Three stores carry the same dress, but it is more convenient for Juanita to get to some stores than others. For example, she can go to her local store, located 15 minutes away from where she works, and pay a marked-up price of \$114 for the dress:



Store	Travel Time Each Way (Minutes)	Price of a Dress (Dollars per dress)
Local Department Store	15	114
Across Town	30	86
Neighboring City	60	60

Juanita makes \$30 an hour at work. She has to take time off work to purchase her dress, so each hour away from work costs her \$30 in lost income. Assume that returning to work takes Juanita the same amount of time as getting to a store and that it takes her 30 minutes to shop. As you answer the following questions, ignore the cost of gasoline and depreciation of her car when traveling.

Complete the following table by computing the opportunity cost of Juanita's time and the total cost of shopping at each location.

Store	Opportunity Cost of Time (Dollars)	Price of a Dress (Dollars per dress)	Total Cost (Dollars)
Local Department Store	<input type="text"/>	114	<input type="text"/>
Across Town	<input type="text"/>	86	<input type="text"/>
Neighboring City	<input type="text"/>	60	<input type="text"/>

Assume that Juanita takes opportunity costs and the price of the dress into consideration when she shops. Juanita will minimize the cost of the dress if she buys it from the _____.

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