

ACTIVITY 1

MRS. RIGAZZI'S DELI

Narrator: Mrs. Rigazzi owns a very popular deli. She can hardly keep up with the lunch crowd. She offers both dine-in facilities and take-out, but one of her most appreciated services is sandwich delivery. Mrs. Rigazzi owns a refrigerated truck and estimates that having the truck to make deliveries earns an average of \$100 in profit each day.

One early morning, Mr. Washington, the florist across the street, burst frantically into the deli.

Mr. Washington: Mrs. Rigazzi, I need your help!

Mrs. Rigazzi: What's the problem, Mr. Washington?

Mr. Washington: My truck broke down. The dealer said it will take two weeks to get the parts, and another couple of days to get it working. The dealer doesn't have a rental truck, and I can't find a single refrigerated truck available for rent in this entire city. How can I deliver flowers if I don't have a refrigerated truck? What am I going to do?

Narrator: Mrs. Rigazzi certainly sympathized with Mr. Washington. After all, 95 percent of his business is floral delivery.

Mrs. Rigazzi: Gee, that's too bad, Mr. Washington. I wish there were some way I could help you.

Mr. Washington: Actually, that's why I'm here, Mrs. Rigazzi. I think there IS a way you can help me. I would like to rent your truck for three weeks. I'll pay you \$200 per day.

Mrs. Rigazzi: That's a pretty generous offer, Mr. Washington. So, it seems that I can earn \$200 per day renting the truck I own to your floral business or \$100 a day using the truck I own for my deli deliveries. There are other things to consider in this decision, but it certainly points out to me that there is an opportunity cost in using my truck in my own business rather than renting it to you.

Narrator: Mrs. Rigazzi discovered another implicit cost of operating her deli. She learned that she should recognize that there are other uses for the resources she owns. There is an opportunity cost in using her labor for her business, her truck for deliveries, and her building for a deli.

Mrs. Rigazzi: Hmm... I wonder who would want to rent this building?

ACTIVITY 2

LOCATION, LOCATION, LOCATION

McDougal's Hamburgers

Taco Campana

ACTIVITY 2, CONTINUED

LOCATION, LOCATION, LOCATION

Burger Delight

Fish 'n Chips

ACTIVITY 2, CONTINUED

LOCATION, LOCATION, LOCATION

Pizza Palace

Super Subs

ACTIVITY 2, CONTINUED

LOCATION, LOCATION, LOCATION

Frontier Chevrolet

Regal Ford

ACTIVITY 2, CONTINUED

LOCATION, LOCATION, LOCATION

Park Place Motors

Save More Market

ACTIVITY 2, CONTINUED

LOCATION, LOCATION, LOCATION

Loo's Food for Less

Best Foods Supermarket