**EXIT TICKET**

1. To save money, you go online to purchase a movie ticket for $10. Before you leave for the movie, a friend invites you to the local pizza place where they have $5 special for two pieces of pizza and a soda. If you decide to go to the pizza place instead of the movie, what is your opportunity cost?
2. The $5 meal plus the $10 ticket
3. The $5 meal plus the $10 plus the value of your time spent at dinner
4. The $5 meal plus the value of your time spent at dinner
5. The $10 ticket plus the value of your time spent at dinner
6. The first cookie I consume provides me with a marginal benefit of $1.50. When I consume a second, I get a marginal benefit of $1.20. The third, fourth, and fifth cookie provide me with a marginal benefit of $1.10, $1.05, and $0.95, respectively. If each cookie costs $1.00, how many cookies should I consume?
7. 2
8. 3
9. 4
10. 5
11. If the marginal benefit is greater than the marginal cost, then:
12. The next step should not be taken
13. The next step should be taken
14. The consumer is indifferent about taking the next step
15. There is not enough information provided to determine what the consumer should do
16. The \_\_\_\_\_\_\_\_\_\_\_ of a choice is the benefit of the choice (measured in dollars) minus its cost.
17. Opportunity cost
18. Marginal benefit
19. Marginal cost
20. Net benefit

ANSWERS

1. Correct answer: C- The cost of the movie ticket is a sunk cost and should not factor into your decision. The opportunity cost of the pizza dinner is only the $5 you spend and whatever you would have done with your time if you had not gone to dinner.
2. Correct answer: C
3. Correct answer: B
4. Correct answer: D

Source: Krueger and Anderson. Explorations in Economics (2014).