

Define Opportunity Costs

Define Opportunity Costs - Opportunity cost is the return of a foregone option less the return on your chosen option. Considering opportunity costs can guide you to more profitable decision-making. Opportunity cost definition is - the added cost of using resources (as for production or speculative investment) that is the difference between the actual value resulting from such use and that of an alternative (such as another use of the same resources or an investment of equal risk but greater return). noun Economics. the money or other benefits lost when pursuing a particular course of action instead of a mutually-exclusive alternative: The company cannot afford the opportunity cost attached to policy decisions made by the current CEO. Origin of opportunity cost. opportunity cost. Opportunity cost. In microeconomic theory, the opportunity cost, also known as alternative cost, is the value (not a benefit) of the choice in terms of the best alternative while making a decision. A choice needs to be made between several mutually exclusive alternatives; assuming the best choice is made,...