

DECISION MAKING SCENARIOS

Read each of the following scenarios and answer the questions.

SCENARIO 1.

Josie receives a weekly allowance of \$10 dollars a week and gets birthday money from her grandparents which will be in 5 months. She and her friends decide to go to the mall before they go to the movies. While at the mall, Josie tries on a pair of designer jeans for \$160.00. Her friends say they look fabulous, so she decides to buy them with her bank card even though she only has \$210.00 in her bank account. Josie receives a weekly allowance of \$10 dollars a week and gets birthday money from her grandparents which will be in 5 months.

1. Which financial decision-making strategy did the person use?
2. What is the opportunity cost of her decision?
3. What would you have done?

SCENARIO 2.

Jared works a part time job, has over \$1500.00 in his bank account. He has an opportunity to go see his favorite country singer who is world renown and coming to Jared's home town. His friend even got tickets and has invited Jared to go. Tickets are \$120.00 each. Jared asks his parents if he can go and they say yes, it would be fun. He talks to his friends who all wish they could go. He looks at his work schedule and must work that night. He talks to his boss who says it is ok to switch shifts if he can find someone else to work with. He doesn't know if he wants to bother his co workers and isn't sure what to do. He mulls it over for over a week and decides he wants to go but his buddy has already sold the extra ticket to another friend.

1. Which financial decision-making strategy did the person use?
2. What is the opportunity cost of his decision?
3. What would you have done?