

# The relative cost of money

Literature, Russian Literature



The cost of earning a college degree will be measured not only in terms of the fee paid but also in terms of the opportunity costs. The opportunity costs of earning a college degree will be the time and effort that could be spent elsewhere.

The costs that will be considered will be the opportunity cost of your time and the cost of traveling. Other costs will be how much money you will have to forsake by taking a leave and going to the other city. In simple words, you will have to consider both the explicit costs and implicit costs (which are in terms of opportunity cost).

The answer to this question is not one. There can be many answers to this particular question depending on the current scale of operations of the firm. For example, if the firm is operating near its full capacity, in the short run, hiring more workers is not going to increase the output in proportion to the workers hired. However, in the long run, if the firm increases the plant size and machinery, then hiring more workers is going to be more beneficial and output is going to be increased in proportion to the workers hired.