

LESSON 3: WHAT'S IN IT FOR ME?

ACTIVITY 3-2: BUSINESS DECISIONS FOR INDY PENDANT AND SUE CURITY

Two young women are considering starting their own business. Indiana Pendant (or Indy as she is known to her friends) and Sue Curity are discussing their potential businesses with each other and decided that there are five criteria in a job that is important to them. They have also decided that there are three alternative job options. Using the information for each woman below, complete the decision-making grid and list which alternative each woman would choose from her first choice to her third choice based on the total utility they would receive.

Indy Pendant: Indy ran for and was elected president of her class and was also a member of her school's speech and drama teams. Despite all her activities, she still managed to get her homework completed on time for her classes and was able to maintain a solid grade point average. To make the "right" decision about starting her own business, she decided to rank the five criteria from 5 to 1 with 5 being the most important and 1 the least. She then ranked the three alternatives from 3 to 1 with 3 being the best and 1 the least for each of the criteria. The results of her ranking are included in the decision-making grid below. Complete the grid for her by multiplying the rank of the criteria by the rank of each option and record it in the blank line. Then add up the answers in each row to get a total for each option. The option with the highest total would be her top choice and the lowest total would be her last choice.

Indy Pendant's decision-making grid with her rankings is as follows:

	STEADY INCOME	UNLIMITED EARNINGS	TIME WITH FAMILY/FRIENDS	FREEDOM TO MAKE DECISIONS	RESPONSIBILITY FOR SUCCESS	TOTAL POINTS
Criteria Utility Score	4	2	5	3	1	
A) Full time operation of business	2 _____	1 _____	2 _____	1 _____	1 _____	
B) Work part-time and run business part-time	3 _____	2 _____	3 _____	2 _____	2 _____	
C) Work full time and forget business	1 _____	3 _____	1 _____	3 _____	3 _____	

Based on this information which alternative will Indy choose?

Why?

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ACTIVITY 3-2: BUSINESS DECISIONS FOR INDY PENDANT AND SUE CURITY (CONT.)

Sue Curity: Like Indy, Sue was a very good student in school who worked hard and all of her assignments completed on time. She received good grades in all of her classes and graduated with a high grade point average. However, because she felt it was important to do well in school she chose not to participate in any extracurricular activities in school but did have a part-time job so she could save money for college. She knew that having a part-time job would take away time from her homework and if she were involved in extra activities at school, she would not be able to spend as much time with her friends as she would like.

Sue Curity's decision-making grid with her rankings is as follows:

	STEADY INCOME	UNLIMITED EARNINGS	TIME WITH FAMILY/ FRIENDS	FREEDOM TO MAKE DECISIONS	RESPONSIBILITY FOR SUCCESS	TOTAL POINTS
Criteria Utility Score	2	3	1	5	4	
A) Full time operation of business	3 _____	2 _____	2 _____	3 _____	3 _____	
B) Work part-time and run business part-time	2 _____	3 _____	1 _____	2 _____	2 _____	
C) Work full time and forget business	1 _____	1 _____	3 _____	1 _____	1 _____	

Based on this information which alternative will Sue choose?

Why?

In the space below, explain why the women would select different alternatives when they used the same criteria and alternatives to reach their decision. Be sure to use proper sentences and include terms from the lesson including incentives, opportunity cost, utility.