

### **Suggested Answers to Concept Exercise #5**

1. Bruiser probably fears the ridicule of his teammates. Another possibility is that although he likes to dance, ballet dancing is contrary to his "tough" self-image.
2. Bill probably fears that Carol will take away some of his responsibilities. Bill is worried about losing power.
3. The store owner is probably concerned about establishing a precedent of willingness to negotiate prices. The store owner is willing to accept the bad short-run consequence of losing ten dollars profit for the long-run benefit of maintaining a firm price policy.
4. The easiest way would be to set a deadline for her acceptance. Without such a deadline, Valerie may delay acceptance indefinitely while she looks for something better, always knowing she can accept later if she wants.
5. Because the Navy requires a multi-year enlistment, Juan would be giving up the opportunity to switch to a more desirable job for a lengthy period. The opportunity costs of the Navy job are thus higher than those of the theatre job.