# Article information:

Opportunity Cost Formula, Calculation, and What It Can Tell You  
<https://www.investopedia.com/terms/o/opportunitycost.asp>

# Article summary:

1. Opportunity cost is the potential benefit that is missed out on when choosing one alternative over another.

2. The formula for calculating opportunity cost is the difference between the expected returns of each option.

3. Opportunity cost analysis plays a crucial role in determining a business’s capital structure and can help guide individuals and organizations to more profitable decision-making.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

The article provides an overview of opportunity cost, its formula, and how it can be used to inform decision-making. The article does a good job of providing examples to illustrate how opportunity cost works in practice, as well as discussing the differences between opportunity cost and sunk costs.

However, there are some areas where the article could be improved upon. For example, while the article does discuss risk in relation to opportunity cost, it does not provide any concrete advice on how to assess risk when making decisions or how to weigh risk against potential returns when considering different options. Additionally, while the article does mention accounting profit and economic profit, it does not explain what these terms mean or how they differ from one another.

In addition, there are some areas where the article could be seen as biased or promotional in nature. For example, while discussing Bitcoin pizza example, there is no mention of any potential risks associated with investing in cryptocurrency or any other type of investment for that matter. Furthermore, while discussing investments in company A vs company B, there is no discussion of any potential risks associated with either option which could lead readers to believe that both options are equally safe investments when this may not necessarily be true.

In conclusion, overall this article provides a good overview of opportunity cost and its uses but could benefit from further explanation on certain topics such as risk assessment and accounting/economic profits as well as more balanced reporting on potential risks associated with different types of investments discussed throughout the article.

# Topics for further research:

* Risk assessment techniques
* Accounting profit vs economic profit
* Investment risk analysis
* Cryptocurrency investment risks
* Opportunity cost decision-making
* Sunk cost vs opportunity cost

# Report location:

<https://www.fullpicture.app/item/37e1a18a96f50474031e4131d59db391>