

4. (a) Most jurisdictions pay jurors a small per diem and reimburse them for commuting and meal expenses. For most jurors, these payments fall short of the opportunity costs of their time. For employed workers, a more reasonable estimate of the opportunity cost of their time would be their wage rates. Note that, from the social perspective, it makes no difference whether or not workers continue to receive their wages while on jury duty. Society is forgoing their labor, which the market values at their wage rates. For those not employed, the opportunity cost is the value they place on their foregone leisure.
- (b) Assume that the government does not charge itself for the use of land that it owns. As long as the land could be used for something other than a nuclear waste facility, the government's accounting would underestimate the opportunity cost of the land. If the land could be sold to private developers, for example, then its market price would be a better reflection of its opportunity cost. If the fact that the land is on a military base precludes its sale to private developers, then the opportunity cost of the land would depend on the other uses to which it could be put by the government.
- (c) As the employees are already on the government payroll, the diversion of their time to the program would not involve additional expenditures. The opportunity cost of their time depends on how they would have been using it in the absence of the program. If the government efficiently used labor, then the opportunity cost of their time would be measured by their wage rates. If the government inefficiently used labor, so that the value of output given up per hour diverted is less than their wage rate, then the opportunity cost would be less than the wage rate.
- (d) Once it is in place, the concrete has zero opportunity cost if it cannot be salvaged and reused, regardless of whether or not the government has yet paid the bill for it. This is the classic case of a sunk cost. Also, in this case, the government owns the concrete, so its expenditures are also zero.