Production Possibility Frontier Application on Efficient Decision Making Regarding Leisure Time.

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Abstract

The consumers are faced with a continuous choice over how to allocate their time between work and leisure. The opportunity cost, or price of leisure is the forgone earnings. If people behave rationally, they will only enter the labor market and continue to work as long as the benefits from income outweigh the benefits from leisure time. This study proposes a new insight on how people make optimum (Efficiency) production decision between Additional Income (AI) and Leisure Benefits (LB)? The purpose of this study was to build Production Possibility Frontier for Additional Income and leisure benefits. . Build up two hypotheses to achieve key objective those are H_1- Opportunity cost is borne human of their time choice, and leisure and Revenue undertakings. H_2- Convex Production possibility frontier is leisure benefits and additional revenue source. There was one independent variable called *leisure time* and two dependent variables were Benefits of leisure, additional income in this study. It was used secondary information and primary data as a data collection method in this study. The simple random sampling method used for this study and also there have been 60 leisure consumer selected as a sample in this study. It was used closed-ended questionnaire method to collect data and also used 5 licked scales for data processing. Data Envelope Analysis (DEA) is used as Linear Programming technique to measure efficiency and can be extended to include DMU's and expert preferences by incorporating optimum decision making for leisure benefits and additional income. According to the findings there is opportunity cost is borne their time choice and leisure and Revenue undertakings. On the other hand the convexity of relationship between AI and LB.

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