

REVIEW PROBLEM 3.1

MARBELL Ltd is considering whether to accept a one-year contract that will require two skilled workers:

- The two workers could be hired at a cost of €15,000 per employee.
- Alternatively, the company could retrain two existing employees who are currently paid €10,000 each. The training could cost €8,000. And the company would have to hire additional employees at a total cost of €16,000.

Required: Which is the best alternative?

