The following is part of a memorandum from the president of Humana University.

“Last year the number of students who enrolled in online degree programs offered by nearby Omni University increased by 50 percent. During the same year, Omni showed a significant decrease from prior years in expenditures for dormitory and classroom space, most likely because instruction in the online programs takes place via the Internet. In contrast, over the past three years, enrollment at Humana University has failed to grow, and the cost of maintaining buildings has increased along with our budget deficit. To address these problems, Humana University will begin immediately to create and actively promote online degree programs like those at Omni. We predict that instituting these online degree programs will help Humana both increase its total enrollment and solve its budget problems.”

The author predicts that establishing an online degree program for Humana University enhances total enrollment and solves budget issues based on the fact that Omni University had a 50 percent increase in online degree program enrollment. They had a significant decrease in expenditures for dormitory and classroom space. Several assumptions about these facts have been made and need to be examined critically to decide if the prediction is reasonable.

It is first assumed that the numbers of enrollment in online degree programs at Omni University are as same as Humana University. There are different alternative explanations for the high registration. For example, maybe Omni University's town is entirely dispersed town, and neighborhoods have quite distance from each other. Therefore, students and their families embrace online degree programs in order to decrease their transportation costs and decrease wasting time in vehicles. On the other hand, maybe Humana University's town is compact, and students prefer to attend classroom-based on the low-cost transportation of the subway, bus, and taxi. So the online degree program will be a disaster for Humana University and its budget deficit.

Although Omni University declared a significant decrease in dormitory and classroom expenditure and space because of online programs, they do not report total costs. When Omni University wanted to start an online degree program, it spent a lot of money to prepare requisite soft wares and hard wares for online courses. As a result, even these programs increase the total expenditures of Omni University. So if Humana University wanted to decrease its budget deficit, it should try another way.

The third problem with this argument is that maybe Omni University's dormitory and classroom space are spacious and have huge maintenance costs. So, cutting these maintenance costs helped Omni University decreased their total expenditure despite huge basic online structures costs. On the other hand, Cutting costs of dormitory and maintenance do not significantly influence Humana University, maybe because of the small classroom capacity and small dormitory maintenance expenditures of Humana University.

Overall speaking, it is to state that the argument's prediction is unlikely to come true unless the problems mentioned in the body paragraphs above are all address and ironed out. In other words, it is essential to collect more evidence to evaluate the assumptions discussed above in order to decide if the prediction about establishing online programs is reasonable.