Firms, costs, growth and competition / IGCSE production and labour

Pearson Edexcel · International GCSE · Economics · Vocabulary in context

Word	Example
fixed cost /fɪkst kɒst/	The shop's rent is a **fixed cost**: it stays the same however much it sells.
variable cost /ˈveərɪəbl kɒst/	Packaging is a **variable cost**: it rises as the firm sells more.
— **average cost** /ˈævrɪdʒ kɒst/	**Average cost** is total cost divided by the number of units.
profit /ˈprɒfɪt/	If sales are bigger than costs, the firm makes a **profit**.
productivity /ˌprɒdəkˈtɪvɪti/	Better machines raise **productivity**: more output per hour.
derived demand /dɪˈraɪvd dɪˈmænd/	The demand for hotel cleaners is a **derived demand** from the demand for hotel rooms.
labour supply /ˈleɪbə səˈplaɪ/	Training more electricians increases the **labour supply**.
competition /ˌkɒmpəˈtɪʃn/	**Competition** between firms keeps prices low.

exercises.lol exercises.com.cn