

# 4 Production and costs – Part 1

Name: \_\_\_\_\_ Class: \_\_\_\_\_ Date: \_\_\_\_\_

## Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

| English          | 中文    | Write it 3 times (English) |
|------------------|-------|----------------------------|
| Production       | 生产    | _____                      |
| job production   | 单件生产  | _____                      |
| batch production | 批量生产  | _____                      |
| flow production  | 流水线生产 | _____                      |
| fixed costs      | 固定成本  | _____                      |
| variable costs   | 可变成本  | _____                      |

## Recall

**Production** 生产 turns inputs into finished goods. It can be done in different ways, and it costs money.

## New ideas

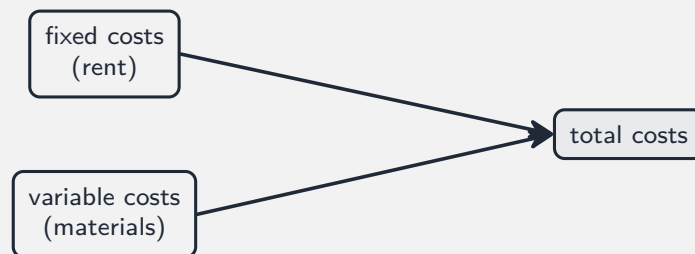
Read these first, then do the Practice.

### ■ 1 Methods of production

|       |                                   |
|-------|-----------------------------------|
| job   | one unique item (a wedding cake)  |
| batch | groups of the same (bread)        |
| flow  | continuous mass production (cars) |

- **job production** 单件生产 makes one unique item at a time;
- **batch production** 批量生产 makes groups of the same item;
- **flow production** 流水线生产 makes a continuous stream (mass production).

## ■ 2 Costs



- **fixed costs** 固定成本 stay the same however much you make (e.g. rent);
- **variable costs** 可变成本 change with output (e.g. materials).

**Watch out:** match the method to the need —**job** (one unique item), **batch** (groups), **flow** (continuous mass production). **Fixed costs** stay the same whatever the output (rent); **variable costs** change with output (materials).

## Practice

Try these in order.

4.1 What is *job production*? [1]

4.2 Which method makes a continuous stream of identical goods? [1]

4.3 Give one example of a fixed cost. [1]

**4.4** Give one example of a variable cost. [1]

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**4.5** Fixed costs + variable costs = ? [1]

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**4.6 Challenge.** A bakery pays \$500 rent a week and \$2 of ingredients per cake. Find its total cost in a week when it makes 300 cakes. [3]