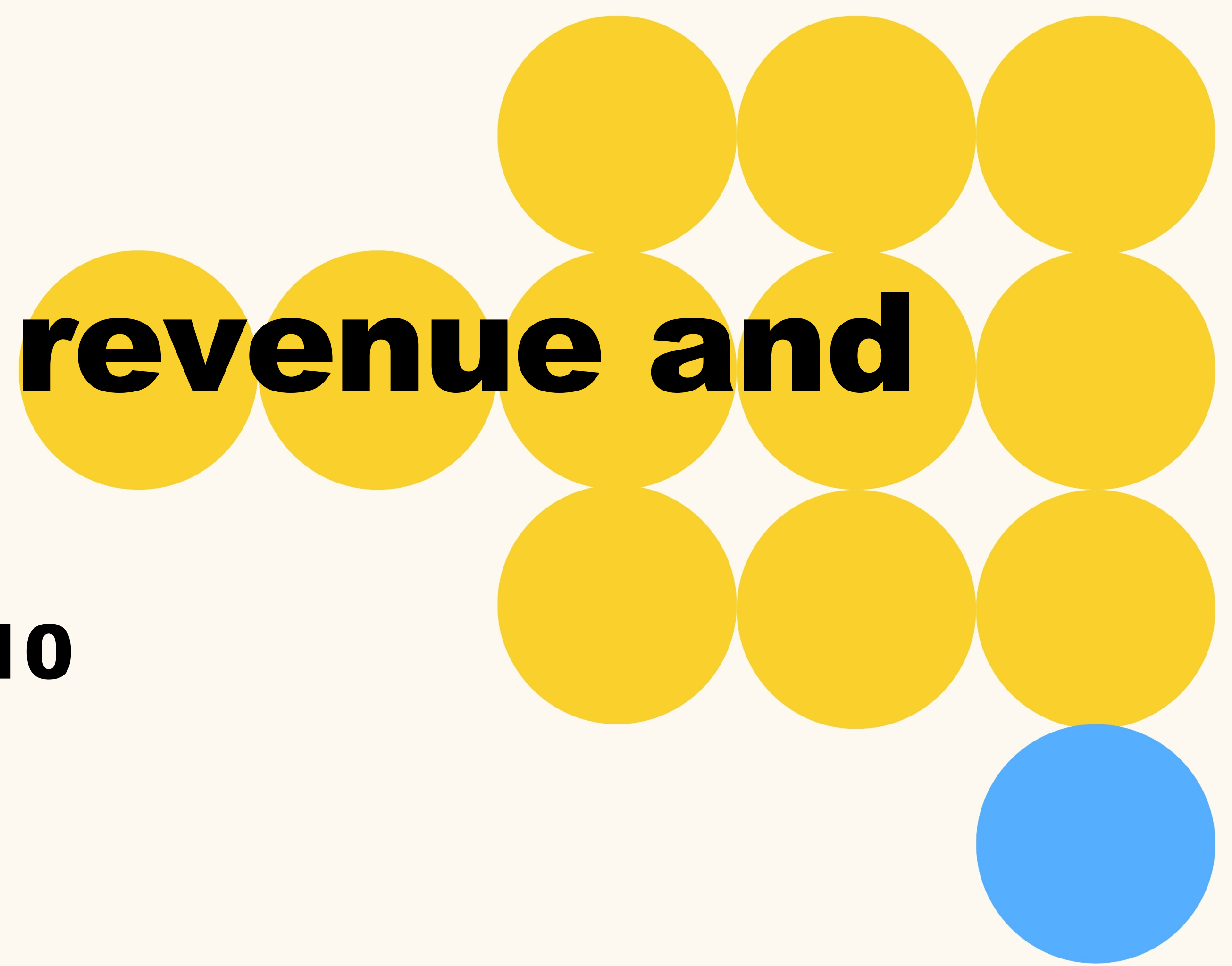


Firms' costs, revenue and objectives

Microeconomics - year10



Agenda

Drive growth of monthly sales volume of purchases

- Multiple choice
- Essay

Be the most desirable brand



Recap

IGCSE Economics Exam Crash Course by Knockout.Economics

Chapter22 : Firms' costs, revenue and objectives

Recap

IGCSE Economics Exam Crash Course by Knockout.Economics

Chapter22 : Firms' costs, revenue and objectives

Part1-Multiple choice

1. What is an example of a fixed cost?

- A. Rent
- B. Raw material
- C. Packaging
- D. Overtime payment

Part1-Multiple choice

2. A firm's average revenue is \$50. It sells 2000 units. What are the firm's total revenue and the price of the product?

	Total revenue (\$)	Price (\$)
A	50	20
B	1,000	50
C	10,000	20
D	100,000	50

Part1-Multiple choice

3. How is total cost calculated?

- A. Total revenue divided by the total output
- B. Fixed cost + Variable cost
- C. Total output multiplied by the price
- D. Total output multiplied by average variable cost

Part1-Multiple choice

4. There is a number of Japanese restaurants in a city centre. Several of these restaurants close due to their owners retiring. What is the likely effect on the prices and profits of the remaining restaurants?

	Prices	Profits
A	decrease	decrease
B	decrease	Increase
C	Increase	decrease
D	Increase	Increase

Part1-Multiple choice

5.The table shows the costs and output of a firm

Total cost	\$ 20,000
Total variable cost	\$16,000
Quantity	10

What is the average fixed cost of the firm?

- A. \$200
- B. \$400
- C. \$500
- D. \$800

Part2- Essay

1. Examine how average cost may vary as production output rises. [6]
2. Consider whether the average cost of production consistently falls as a firm increases its total output. [8]

Part2- Essay (Continue)

2. Consider whether the average cost of production consistently falls as a firm increases its total output. [8]

The End

