Worksheet

22 Firms’ costs, revenue and objectives

Complete the following activities on firms’ costs, revenues and objectives.

Activity 1

State whether each of the following are most likely to be considered fixed costs or variable costs for firms.

1 Wages paid to employees

2 Advertising expenses

3 Dividends paid to shareholders

4 Salaries paid to senior staff

5 Rent of a shop premises

6 Raw materials

7 Packaging

8 Telephone bill

9 Insurance

Activity 2

The following table lists some objectives of businesses. In each case, give an example of a situation in which that objective may be most appropriate. Be prepared to discuss your answers with the rest of your class.

|  |  |
| --- | --- |
| Objective | Example |
| Survival |  |
| Social welfare |  |
| Growth |  |
| Profit maximisation |  |