

1. Average costs	The cost of producing a single unit of output
2. Batch production	The production of goods in batches. Each batch passes through one stage of production before moving onto the next stage.
3. Break-even	The level of output where revenue equals total costs; the business is making neither profit nor loss.
4. Capital intensive	Production process using a high quantity of capital equipment compared with labour input.
5. Diseconomies of scale	Factors that cause average costs to rise as the scale of operations increases.
6. Economies of scale	The reduction in average costs as a result of increasing the scale of operations.
7. Fixed costs	Costs that do not change with output.
8. Flow production	The production of very large quantities of identical goods using a continuously moving process.
9. Government incentives	Usually finance such as interest free loans, or grants provided to a business to help when locating in a country or area of a country.
10. Infrastructure	The basic facilities, services and installations needed for a business to function, for example water, power, transport links.
11. Inventories	The stock of raw materials, work-in-progress and finished goods held by a business.
12. Job production	The production of items one at a time
13. Lean production	The production of goods and services with the minimum waste of resources.
14. Production	The process of converting inputs such as land, labour and capital into saleable goods, for example shoes and cell phones.
15. Productivity	A measure of the efficiency of inputs used in the production process, especially labour and capital.
16. Quality	Ensuring a good or service meets the needs and requirements of its consumer.
17. Quality assurance	A system of setting agreed standards for every stage of production.
18. Quality control	Checking the quality of goods through inspection
19. Quality standards	The minimum acceptable standard of production or service acceptable to consumers.
20. Total cost	All the variable and fixed costs of producing the total output.

21. Variable costs	Costs that change in direct proportion to output
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