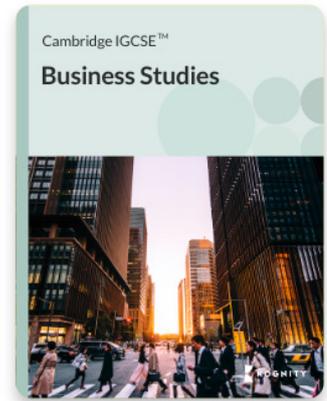


IGCSE Business Studies

Our IGCSE Business Studies subject supports the full Cambridge IGCSE™ and O Level Business Studies (0450/0986/7115) syllabus for first examination from 2020.



Key Features

Activity

Green Foods Ltd produces a variety of fruits and vegetables. It has to pay \$1 000 rent for its office per month. During harvest season, the company hires 15 employees and pays them \$1 500 per person per month. The harvest workers work for the company for an average of seven months.

1. Calculate the total variable costs for the company.
2. Calculate the total costs for the company.
3. Calculate the average cost per kg if the company produces 40 000 kgs of fruits and vegetables on average per year.

» Hide solution

1. The variable costs will be the labour of the 15 employees and will be calculated as $15 \times \$1\,500 = \$22\,500$ per month. As the employees work on average 7 months, the total variable costs for 7 months will be $\$22\,500 \times 7 = \$157\,500$.
2. The total costs will be Fixed costs + Total variable costs. Fixed costs for 12 months rent will be $\$12\,000 + \$157\,500 = \$169\,500$ per year.
3. The average costs per year will be calculated by the formula: Total costs / Quantity = $\$169\,500 / 40\,000 = \text{approx. } \4.24 per kg.

The inclusion of activity boxes encourage active learning, while study skill boxes promote reflection and self-management.

Study skills

To distinguish between fixed and variable costs, consider the following question: 'Will these costs change if the output quantity changes?' If the answer is 'No', then these are fixed costs. If the answer is 'Yes', then these are variable costs.

Embedded interactive content such as graphs, diagrams, illustrations, photos and videos add a visual perspective to the syllabus and can be found throughout all sections of Kognity's Business Studies.

Government support for entrepreneurs

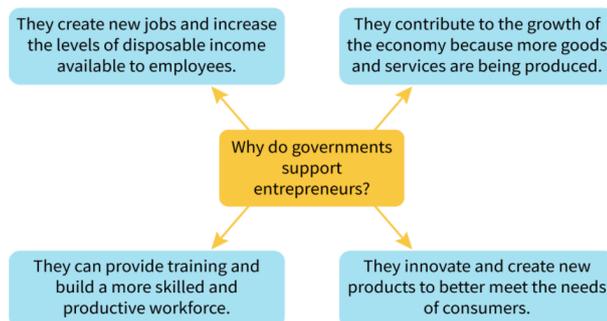


Figure 2. The reasons why governments support entrepreneurs.

Question preview ✕

11 of 50 Paper: 1 Marks: 20

Question

TW is a large firm selling computers and computer accessories. The firm has recently had problems with its large size and is experiencing diseconomies of scale. The quality of products has dropped and customers are unhappy. The current quality control method does not seem to be effective. TW has some selected financial data about the business as shown in the following table for 2018. In 2017, the profit margin was 35% and the gross profit margin was 70%. The managers at TW are not sure whether the company is financially successful in 2018.

| | |
|---------------|-----|
| Sales revenue | 500 |
| Cost of sales | 200 |
| Expenses | 150 |

Add Question < Previous question Next question >

Kognity's Business Studies contains a wide variety of global, up-to-date case studies for application of knowledge to real-life situations. These are supported by exam-style questions and model answers.

Kognity's Business Studies is written in clear language for international learners. Furthermore, it comes complete with an interactive glossary, which allows for students to read definitions within the text and explore the glossary in its entirety via a designated section of the book.

The big picture

The period in history between 1750 and 1900 that saw increased use of machines and mass production of goods.

[See entire glossary](#)

Industrial Revolution in the 1750s. I

Add question

| Difficulty | Topic | Type |
|------------|---------|------|
| | 0 | |
| | 2 areas | |
| | 2 areas | |

Questions within Kognity's Business Studies come complete with an easy, medium or hard rating. This allows for differentiated assignments and promotes teaching and learning to take place at each student's point of need.