

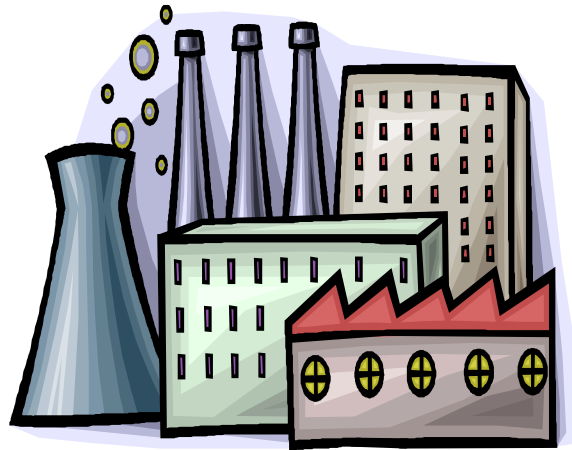


Covering The Costs of New Products

- A new business can divide its costs into 2 types

Start-up costs

These are costs which have to be met before a business can start trading. They will differ depending on the sort of business that is being set up






Running costs

Once set up, the business will carry on buying resources to use to keep producing. These are the day-to-day expenses that result from trading



Start-Up Costs

- Start-up costs are one-off costs that must be paid whenever a business introduces a new product
- They will vary according to what the business does:

		
<p>Retail Stock, fixtures, fittings, cash register, premises</p>	<p>Manufacturing Machinery, equipment, tools, factory, computers, parts</p>	<p>Services Office furniture, computers, equipment</p>



Running Costs

- These are costs that a business will have to pay each day that it operates
- Examples for a food manufacturer might include:

