

# Fixed Costs

Using only the words from the table below, fill in the blank spaces with the appropriate words, in order to correctly complete the text below. Not all of the words are used!

Fixed costs are sometimes called \_\_\_\_\_ or \_\_\_\_\_ costs. They are \_\_\_\_\_ that are not affected by the amount of \_\_\_\_\_ carried out, or by the \_\_\_\_\_ produced. This means that fixed costs must be \_\_\_\_\_ even if a firm isn't producing anything. Examples of \_\_\_\_\_ costs include: rent, mortgage repayments, and \_\_\_\_\_. It is important to remember that fixed costs \_\_\_\_\_ change, but not in direct relation to changes in production. So, for example, \_\_\_\_\_ for premises may go up each year, even if output stays the same.

wages	costs	indirect	total	fixed
variable	paid	trade	salaries	output
rent	do	don't	overheads	

An interactive version of this activity is available at [https://www.businessed.co.uk/activities/word\\_bank/fixed\\_costs/index.html](https://www.businessed.co.uk/activities/word_bank/fixed_costs/index.html)

Now complete the table below by stating three different examples of fixed costs, and, for each one, explain why you think it is a fixed cost.

Example Fixed Cost	Explanation