

# Operating (running) costs

1 Lisa runs a business producing and marketing children's clothing.

Identify **two** start-up costs and **two** running costs that Lisa has from the box below. Place the words in the correct column of the table. **(2 marks)**

Start-up costs	Running costs

Shelves/rails for storing stock      Sewing machine  
Thread      Electricity

**Guided**

2 George runs a taxi business.

Suggest **three** running costs he might have. **(3 marks)**

- 1 Petrol/diesel
- 2 .....
- 3 .....

Think about the costs involved in running a car before you answer.

3 Mohammed wants to start a business selling second-hand books, computer games, DVDs and CDs from a market stall. He does not know the difference between start-up and running costs.

**(a)** Which **two** of the following would be examples of his running costs? Put a cross in the box next to the correct statement. **(2 marks)**

- A  Buying items to resell
- B  Paying to have a market pitch for a year
- C  Buying a safe to keep cash overnight
- D  Paying his brother to help out on a Saturday
- E  Paying for boxes to display his stock

**(b)** Outline what is meant by the term 'running costs'. **(1 mark)**

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