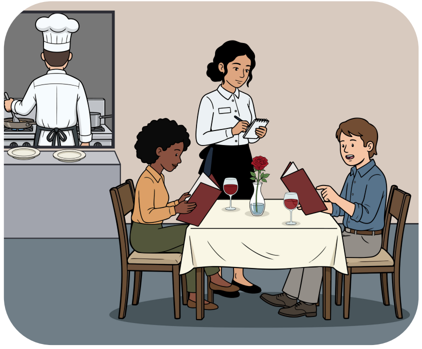
TOPIC: COST STRUCTURE

- Cost Structure describes the __________ of **fixed**, **variable**, and **mixed costs.**
  - Companies with different cost structures pursue different ______________.

Movie Theater

- Most costs are _______.
- Ticket prices are constant for all films.
- Discounts during low demand periods.

Restaurant



- Most costs are ___________.
- Prices vary depending on product cost.
- Reduce costs during low demand periods.

PRACTICE

Which of the following pieces of data would be useful in determining the business' cost structure?

a) The business spends $50 per unit of output.

b) The business uses absorption costing.

c) The business' costs are 30% fixed costs.

d) None of the above.