LESSON PLAN/NOTE FOR WEEK 7 ENDING 27/10/2023

**Term**: First

**Week**: 7

**Date**: 23/10/2023.

**Class**: SS 2

**Subject**: Economics

**Topic**: Concept of Costs

**Sub-Topic:** Meaning and types of costs

**Period**: Second

**Time**: 8:50—9:30.

**Duration**: 40 Minutes.

**Number in class**: 10 Students

**Average Age**: 14 Years

**Sex**: Mixed

**Specific objectives**: By the end of the lesson, the students should be able to:

(1) Define Cost

(11) State the types of cost.

(111) Explain the types of cost.

**Rationale**: For the students to be able to identify how to minimize cost during production.

**Previous knowledge:** The students have been seeing the price of commodities in the market.

**Instructional material:** A chart showing different cost curve in the cost schedule.

**Reference material:** Cole Esan (2020) Essential Economics for senior secondary schools.

**LESSON DEVELOPMENT**

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| **Stages/ steps** | **Teacher's Activities** | **Students' Activities** | **Learning points** |
| **Introduction** | Reviews the previous lesson | Participate actively in the class discussion | To arouse the students interest to learn. |
| **Step 1** | Define Cost as : Cost is the sum total of all payments used in the production of goods and services. | Listen carefully to the teacher | For better understanding of the lesson |
| **Step 11** | Asks the students to state the types of cost. | State the types of cost as: (1) fixed cost (2) total cost etc. | To encourage critical thinking ability of the students |
| **Step 111** | Guides the students to explain the types of cost. | Respond to the class activity | To enable the students reason logically. |
| **Board Summary** | Summarizes the lesson as:  **Concept of Costs**  Cost can be defined as the sum total of all the payment to the factors of production used in the production of goods and services. For goods and services to be produced, all the factors of production, which are land, labour, capital and entrepreneur must work together. Cost can also be defined as those expenses faced by a business when producing goods and services for a market.  **Types of Cost**  (1) Fixed cost (2) variable cost (3) total cost (4) Average cost (5) Average variable cost (6) Marginal cost (7) Average fixed cost.  (1) Fixed cost (fc) : Fixed cost also known as overhead cost or unavailable cost, is defined as cost or expenses that remain unchanged whatever the level of output. It simply means the cost of an enterprise which does not change with change of output. In other words, fixed cost does not change with the changing output. Example of fixed cost are the cost of buildings , land, motor vehicles, plant and machinery. Fixed cost is calculated with this formula:  Fc= TC —Vc or TFC= AFC x Q (2) Variable cost (VC): This is also called direct cost, is the cost of production which varies or changes directly with the level of output. They rise as more output is produced and fall with less output. Examples of Variable cost are fuel, Raw materials, labour, power,etc. Variable cost is calculated by this formula: VC= TC —fc. | Copy and submit the note book for marking. | For future reference. |
| **Evaluation** | Evaluates the lesson as:  (1) Define Cost  (2) State 5 types of cost  (3) Explain fixed and variable cost. | Respond to the questions. | Ascertaining the attainment of the stated objectives. |
| **Conclusion** | Rounds up the lesson by marking and correcting students work. | Check and do their correction. | Consolidation of the lesson. |
| **Assignment** | Gives home work as:  (1) Differentiate between explicit and implicit cost | Respond by doing the home work at home. | To ensure continuity of learning. |

27TH October 2023

Approved!

DEPUTY HEAD INSTRUCTOR ADMIN