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Production and Productivity



AQA A Level Economics Revision Notes

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Production converts inputs, such as the services of factors of production from capital and labour, into a final output. This will satisfy consumer needs and wants.

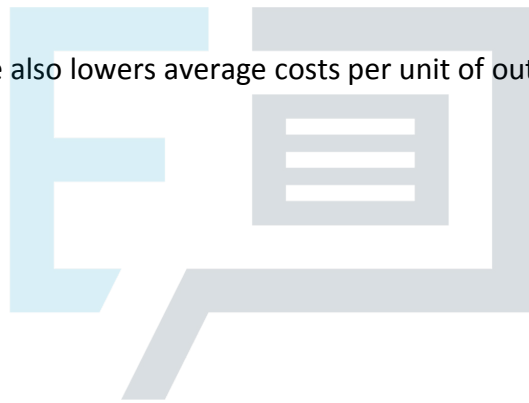
Productivity is calculated by output per worker per period of timer.

Being more productive means the same input, such as the number of workers, produces more output, over the same period of time.

Being less productive requires a larger input to produce the same quantity of output.

Productivity can be increased by training workers or using more advanced capital machinery.

Being more productive also lowers average costs per unit of output.



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