

Difference between Total Cost and Total Revenue

Basis of Difference	Total Cost	Total Revenue
Meaning	It refers to the expenditure incurred by the producer on the production of a commodity.	It refers to the money received from selling the produced commodity.
Components	Total cost comprises of fixed cost, the variable cost, marginal cost and average cost in the short run.	Total Revenue comprises of Marginal revenue and Average Revenue.
Behaviour	It increases with an increase in the production or the output.	It increases with an increase in sales.
Represents	It represents the total cost of producing a specific output.	Total revenue represents the total money receipts from the sale of the output over a specific period of time.
Nature	TC is regarded as the expenditure for any business enterprise.	TR is regarded as the income for any business enterprise.
Calculation	<p>It can be calculated as:</p> <p>Total cost = Fixed Cost + Variable Cost</p>	<p>It can be calculated as:</p> <p>Total revenue = Price × Quantity.</p>