

## Reducing costs to make the world's cheapest car



View video clips:

The Tata Nano is launched

<http://news.bbc.co.uk/1/hi/business/7960479.stm>

How did engineers achieve this at such low cost?

<http://news.bbc.co.uk/1/hi/business/7423737.stm>

### Questions

Define the term “unit cost”

Explain why engineering “simplicity” is crucial to keeping the unit cost of the Tata Nano as low as possible

Identify three areas in which Tata engineers have been able to reduce production costs

Which segment of the motor car industry will the Tata Nano be targeted at?