

## What is the difference between "cost" and "price"?

Most people tend to use these words interchangeably when they want to mean the amount of money required to buy something. For example, we can say, "What is the price of the car" or "How much does the car cost"? In business however, the two words have a different meaning. When you talk about the "cost" of something, what you are referring to is the amount of money that you spent to make that particular thing. For example, when businessmen talk about the cost of a car, they are referring to the amount they spent manufacturing it. "Price", on the other hand, refers to the amount of money that the car is sold for. It is the amount that the customer pays.

The word "cost", unlike the word "price", is normally used with services. For example, one talks about the cost of getting one's car repaired, and the cost of going on holiday. "Cost" is also used with abstractions; one talks about the "cost of living", the "cost of war", etc. When you wish to use an adjective, then it is "price" that is used. For example, you talk about "exorbitant" prices, "great prices", and "bargain prices". As everyone knows every politician has his/her price. Yes, the word price is normally used when you wish to bribe someone. You can tell the individual to name his/her price.