

Lesson 2: Activity sheet 1

Where does my iPod come from?

When the 30GB Video iPod was launched in 2007 it sold for US\$299. But where was it made and how much of this final price was 'spent' at each stage?

Your task

Cut out the cards below and arrange them to show the different stages involved in the production of an iPod.

Colour/mark the cards to indicate which are primary, secondary, tertiary and quaternary stages of production. Then answer the following questions:

Does the division of the US\$299 retail price of the iPod seem fair? Why/why not?

Explain why some companies have their headquarters in one country, but base their manufacturing in others.

<p>iPods are the creation of the American company Apple Inc. Apple Inc make US\$80 profit for each iPod sold in the USA.</p>	<p>PortalPlayer license the processor core design for their microchip from ARM, a UK-based company. ARM charge approximately US\$1 per chip.</p>	<p>Over 400 low cost components (such as capacitors and resistors) are needed to make an iPod. The combined value of these components is US\$21.28.</p>
<p>Silicon, a raw material, is essential for the production of microchips. The Norwegian company Elken is a major producer of silicon.</p>	<p>Ten high-value components, with a combined value of US\$123.12, are needed to make one iPod.</p>	<p>The iPod is assembled in China by the Taiwanese company Inventex. Insertion, testing and assembly is worth US\$3.70 per iPod.</p>
<p>The most expensive component in an iPod is the 30GB hard drive. This is made by the Japanese company Toshiba in either China or the Phillipines. It is worth US\$73.39.</p>	<p>Copper is a raw material used in hard drives. In 2005, the top producer of copper was Chile.</p>	<p>iPods are sold in shops around the world; many in the USA and UK. The distributor receives US\$30 of the value of each iPod for transporting them.</p>
<p>The raw material aluminium forms a major part of an iPod's hard drive. The Canadian company Rio Tinto-Alcan is the largest producer of aluminium in the world. Their biggest smelter is in Tomago in Australia.</p>	<p>The microchip that controls video playback is another expensive component. This is made by the US company Broadcom in Taiwan or Singapore. It is worth US\$8.36.</p>	<p>The second most expensive component in an iPod is the display. This is made by Toshiba Matsushita in Japan and is worth US\$20.39.</p>
<p>Another expensive microchip manages the iPod's functions. This is made by the US company PortalPlayer in the USA or Taiwan. It is worth US\$4.94.</p>	<p>iPods are sold in many different shops - in the US you can even buy iPods in Walmart. The retailer receives US\$45 for every iPod it sells.</p>	<p>Old iPods can be recycled. In the US Apple Inc has a recycling partnership with Cupertino, California.</p>

