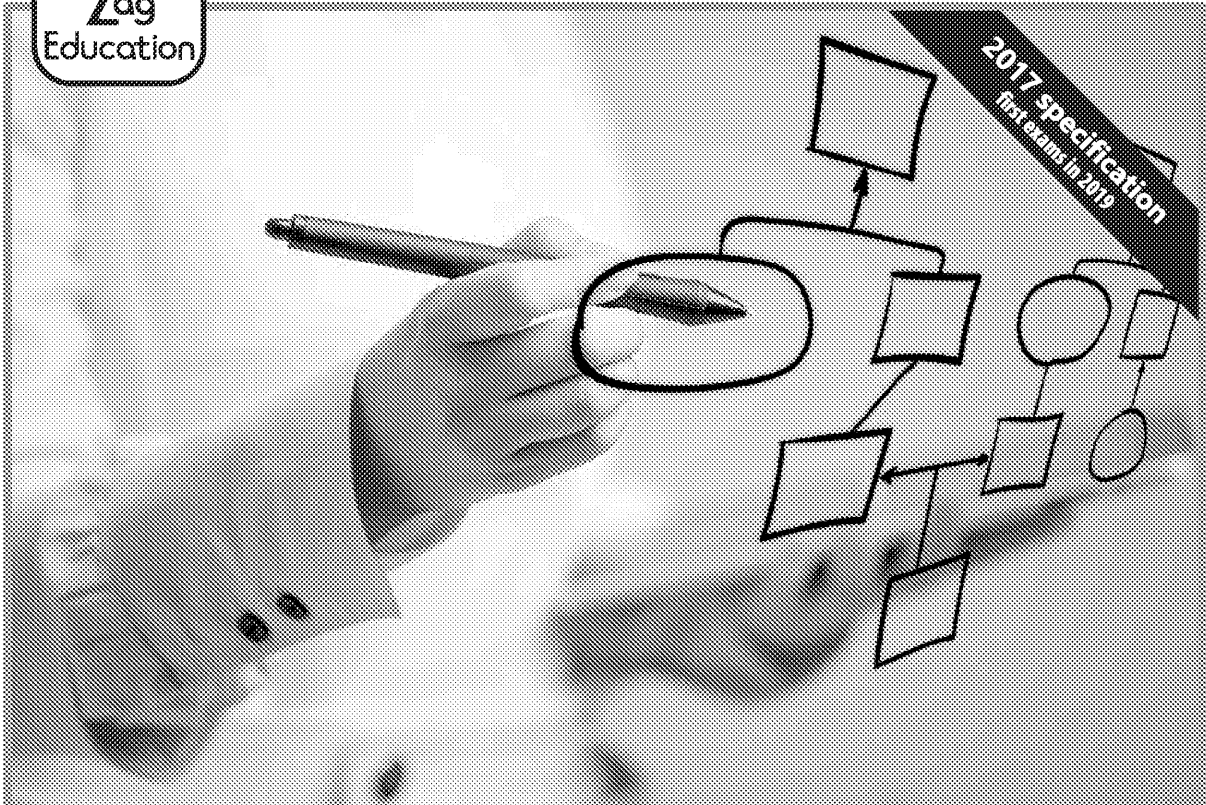




Business

GCSE (9–1) | Edexcel | 1BS0



Multiple-Choice Question Bank

for GCSE (9–1) Edexcel Business

S Hastings

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Teacher's Introduction

First and foremost, this resource is intended to test students' knowledge rather than to provide exact exam-style questions. Consequently, not all questions will mirror the exact words and phrases used in actual question papers for the Edexcel GCSE (9–1) Business (2017) specification.

This two-set resource of multiple-choice test questions with answers has been written specifically for the Edexcel GCSE (9–1) Business (2017) specification; however, it can also be used as a companion to *Factsheets and Activities for GCSE (9–1) Edexcel Business* (POD 10733), which is also published by ZigZag Education.

Each set in this resource covers all functional areas of business in the Edexcel GCSE (9–1) Business (2017) specification:

Theme 1: Investigating small business	Theme 2: Building a business
Topic 1.1 – Enterprise and entrepreneurship	Topic 2.1 – Growing the business
Topic 1.2 – Spotting a business opportunity	Topic 2.2 – Making marketing decisions
Topic 1.3 – Putting a business idea into practice	Topic 2.3 – Making operational decisions
Topic 1.4 – Making the business effective	Topic 2.4 – Making financial decisions
Topic 1.5 – Understanding external influences on business	Topic 2.5 – Making human resource decisions

The resource has two sets of multiple-choice questions with answers: Set A and Set B. Each set contains 265 questions testing topics covered in both the specification and the aforementioned 'Factsheets and Activities'. The resource is written in such a way as to take into account the fact that different students have different levels of ability.

Suggested use of Set A and Set B tests

Questions in Set A either correspond to or mirror those in Set B. The format for both sets is the same. The specific topic tested in Set A is retested in Set B using different wording, different emphasis or a reverse scenario. This makes the pack a very flexible resource capable of multiple uses in the teaching and learning environment.

For example:

- After covering a topic in class, say in specification number 1.1, the teacher could first go through Set A 1.1 questions and answers with the students in the classroom environment using a question and answer session. At a later time, Set B 1.1 questions could be used as a formal class test to check how much the students have learned and to identify areas of concern and areas that were well understood. (Set B could be used first, then Set A.)
- Alternatively, Set A 1.1 questions could first be given as a formal class test. Then, shortly afterwards, the teacher could go through Set B 1.1 questions and answers with the students in the classroom environment using a question and answer session. This would highlight areas of concern and areas that were well understood resulting from the test outcome. (Set B could be used first, then Set A.)
- Students could be given Set A 1.1 questions for homework, then, shortly afterwards, be given Set B 1.1 as a formal class test. The result could then be compared with the homework one, identifying areas of knowledge strength and knowledge weakness. (Set B could be used first, then Set A.)
- Set A 1.1 questions and Set B 1.1 questions could both be used as homework, for formal class tests and for question and answer discussions at different times.

S Hastings, April 2022

1.1 – Enterprise and entrepreneurship

1.1.1 – The dynamic nature of business

- Which **one** word is the key cause of the UK's business environment being regarded as dynamic? Select **one** answer.
 - A Investment
 - B Change
 - C Technology
 - D Momentum
- Which **one** of the following is the latest in entrepreneurial endeavour? Select **one** answer.
 - A Space tourism
 - B World Wide Web
 - C Electric light bulbs
 - D Mobile phones
- Which **one** of the following refers to the fact that the vast majority of consumer products will need to be repaired or replaced within a determined period of time? Select **one** answer.
 - A Built-in obsolescence
 - B Manufacturing
 - C Business activity
 - D None of the above
- In 1991 the late Trevor Bayliss CBE 'invented' the wind-up radio. Which **one** of the following sayings best 'fits' this invention? Select **one** answer.
 - A Invention requires a long-term willingness to be misunderstood
 - B Lost time is never found again
 - C Necessity is the mother of invention
 - D You can never plan the future by the past
- Which **one** of the following is **not** a new business idea? Select **one** answer.
 - A Development of 3D printers
 - B Space travel
 - C Development of GPS
 - D Production of electric motor vehicles
- Identify **two** reasons why new business ideas are generated by entrepreneurs. Select **two** answers.
 - A To satisfy the ever-changing needs and wants generated by consumers
 - B Because they will be an instant success
 - C In response to the raw material supply available
 - D In response to the demand created by built-in product obsolescence
 - E To generate competition between businesses
- Which **two** of the following are reasons for change in the development of products? Select **two** answers.
 - A Ignoring of competitors
 - B Ignoring of customer demand
 - C Considering competitors and budgets
 - D Studying competitors already on the market
 - E Only by accident
- From the following, which products become obsolete? Select **two** answers.
 - A Development of new products
 - B They become outdated
 - C They become overpriced
 - D Abundance of production
 - E Changes in consumer preferences
- In order to be a successful 'influencer' promoter, you should select **two** of the following answers.
 - A Be a frequent user
 - B Have a social media presence
 - C Have a large following
 - D Be a TV presenter
 - E Have a professional background
- Which of the following are characteristics of dynamic businesses? Select **two** answers.
 - A They constantly change
 - B They are based on new ideas
 - C They sometimes change
 - D They sell to different consumers
 - E They never change

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1.1.2 – Risk and reward

- Which **one** of the following implies that a business undertakes a venture, the outcome of which **can be statistically calculated**? Select **one** answer.
 - A Business loss
 - B Business uncertainty
 - C Business risk
 - D Business reward
- Which **one** of the following implies that a business undertakes a course of action, the outcome of which is unknown or uncertain and **cannot be statistically calculated**? Select **one** answer.
 - A Business risk
 - B Business uncertainty
 - C Business acumen
 - D Business loss
- Which **one** of the following is the outcome when a business overcomes risk and uncertainty? Select **one** answer.
 - A Reward
 - B Failure
 - C Loss
 - D Contraction
- Select **two** ways in which a business can reduce the element of risk. Select **two** answers.
 - A Reduce the cost of the service
 - B Increase the quality of the service
 - C Ongoing research and development
 - D Forward planning
 - E Ignore the risk
- Identify **two** likely outcomes of successful business. Select **two** answers.
 - A Profitability
 - B Uncertainty
 - C Increase in risk
 - D Productivity
 - E A degree of risk

1.1.3 – The role of business enterprise

- Which **one** of the following best describes the role of a business enterprise? Select **one** answer.
 - A Provide goods or services for sale only to the general public
 - B Provide goods or services for sale only to other businesses
 - C Provide goods or services for sale to the general public and other businesses
 - D Provide a luxurious lifestyle for all its stakeholders
- When does business activity actually occur? Select **one** answer.
 - A When an entrepreneur thinks that they can dominate a market
 - B Only when the government provides incentives to entrepreneurs
 - C Only when an entrepreneur uses the resources to provide the best possible service
 - D When an entrepreneur identifies a market and then takes action to satisfy it
- Which **one** of the following is **not** a role of entrepreneurship? Select **one** answer.
 - A Organise business resources
 - B Promote risk adversity
 - C Take risks
 - D Make decisions
- In what **two** ways can a business add 'value' to a product? Select **two** answers.
 - A Decrease the cost of the product
 - B Improve the quality of the product
 - C By not creating a new product
 - D Create a new product
 - E Limit its use
- What are **two** benefits of business enterprise? Select **two** answers.
 - A Provide a better quality of life
 - B Satisfy consumer needs
 - C Maximise the use of resources
 - D Provide for the needs of the community
 - E Limit the supply of goods to consumers

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1.2 – Spotting a business oppo

1.2.1 – Customer needs

1. 'These are considered to be the essential things customers require when buying a product or service.' What is this describing? Select **one** answer.
 - A Customers' needs
 - B Customers' wants
 - C Consumer demand
 - D Consumer market
2. Which **one** of the following is **not** a customer need? Select **one** answer.
 - A Price of the product or service
 - B Quality of the product or service
 - C Choice of similar products or services
 - D Customer experience when actually trying to get the product or service
3. By using what method can a business identify and understand customer needs? Select **one** answer.
 - A Market share analysis
 - B Market growth analysis
 - C Market research techniques
 - D None of the above
4. Which of the following are customer needs? Select **two** answers.
 - A Difficulty of the product or service
 - B Lowest price of the product or service
 - C Little choice of products or services
 - D Consistent quality of the product or service
 - E No choice of products or services
5. Why is it important to identify and clearly understand customer needs? Select **two** answers.
 - A To guarantee customer satisfaction
 - B Because it informs marketing actions
 - C To maximise sales
 - D Because it helps to maximise profit
 - E To plan for the future

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1.2.2 – Market research

1. 'This marketing tool involves the systematic collection and analysis of data collected from the general public.' What marketing tool is this describing? Select **one** answer.
 - A Secondary research
 - B Desk research
 - C Market segmentation
 - D Market research
2. Which **one** of the following is **not** a purpose of market research? Select **one** answer.
 - A Inform the business of its tax liability
 - B Inform business decision-making
 - C Identify and understand customer needs
 - D Identify gaps in the market
3. Which **one** of the following is also known as 'field research'? Select **one** answer.
 - A Internal research
 - B Desk research
 - C Primary research
 - D Secondary research
4. Which **one** of these is **not** a primary research method? Select **one** answer.
 - A Survey
 - B Government reports
 - C Questionnaire
 - D Observation
5. Which **one** of the following is initially sourced by primary research? Select **one** answer.
 - A Secondary research data
 - B Focus group data
 - C Field research data
 - D None of the above
6. Which **one** of the following is **not** a method of secondary research? Select **one** answer.
 - A Referencing market reports
 - B Internal business records search
 - C Reading government reports
 - D Carrying out surveys
7. Qualitative research involves gathering opinions rather than hard statistical facts. Identify **two** disadvantages of such research for a business. Select **two** answers.
 - A Answers are not given
 - B Answers from the sample might not reflect the opinion of the population group
 - C Qualitative data looks beyond statistics and can therefore be quickly processed
 - D Data gathered is easily computer analysed
 - E Question-structure bias can quite easily influence the outcome of the survey
8. Which **two** statements about market research are correct? Select **two** answers.
 - A It never involves asking questions
 - B It deals only with words and figures
 - C It does not involve using graphs and charts
 - D It can be carried out by a computer system
 - E It cannot be carried out by a computer system
9. What **two** benefits does social media offer for market research? Select **two** answers.
 - A It gives an advantage to the business
 - B Such a platform is used by a large number of vested business interests
 - C Social media is used by the most influential people in the market
 - D It is a relatively cheap method and is often used by small businesses
 - E Absolutely no advertising is required on social media sites
10. Identify **two** reasons why a business might collect research data. Select **two** answers.
 - A To assist with the production of informed decisions
 - B To give information to the public
 - C To ensure the business is profitable
 - D To be ready to respond to changes in the forward-looking market
 - E To impress investors

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1.2.3 – Market segmentation

- Which **one** of the following is the process of dividing a mass market into targeted sections in order to more easily sell a specific product or service to them? Select **one** answer.
 - A Market mapping
 - B Market segmentation
 - C Market growth
 - D Market competition
- What element of market segmentation involves analysing the characteristics of people? Select **one** answer.
 - A Demographics
 - B Income
 - C Age
 - D Lifestyle
- What **two** methods can a business use to analyse a market and target potential customers? Select **two** answers.
 - A Cost analysis
 - B Market segmentation
 - C Market mapping
 - D Quality control
 - E Labour turnover
- Which of the following are criteria for market segmentation? Select **two** answers.
 - A Location
 - B Wages
 - C Quantity
 - D Quality
 - E Income
- What **two** elements are included in a market map? Select **two** answers.
 - A Quality
 - B Spending
 - C Labour
 - D Productivity
 - E Price

1.2.4 – The competitive environment

- Who are a business's main opponents in a competitive environment? Select **one** answer.
 - A Employees
 - B Suppliers
 - C All types of businesses in all markets
 - D All other similar businesses in the same market
- What particular aspects of its competitors must a business pay particular attention to? Select **one** answer.
 - A Costs and revenues
 - B Profits and losses
 - C Strengths and weaknesses
 - D None of the above
- When a business is analysing the actions of a competitor, what information should be given to the competitor's USP. What does the acronym USP stand for? Select **one** answer.
 - A Unique starting point
 - B Unique selling point
 - C Unique strategic planning
 - D Unique selling plan
- A business should identify its strengths and weaknesses using certain criteria. Which **two** are not criteria for this analysis? Select **two** answers.
 - A Price
 - B Personality
 - C Product range
 - D Customer service
 - E Stock price
- The presence of a competitor can have a significant impact on an individual business. Which **two** of the following are not factors to consider? Select **two** answers.
 - A Pricing strategy
 - B Procurement
 - C Research and development
 - D Staff recruitment
 - E Owner recruitment

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1.3 – Putting a business idea into practice

1.3.1 – Business aims and objectives

- Which **one** of the following specifically refers to a business aim? Select **one** answer.
 - A Never have a time constraint
 - B Realistically unachievable
 - C Long-term aspirational goal
 - D Short-term aspirational goal
- Which **one** of the following forms the short-term 'stepping-stone' pathway to achieving a business aim? Select **one** answer.
 - A Business objectives
 - B Business aims
 - C Business strategy plans
 - D Business technology audits
- Which **one** of the following statements about business aims and objectives is **not** true? Select **one** answer.
 - A They never change
 - B They change as market conditions change
 - C They are not the same for new start-ups as for established businesses
 - D They are important to all businesses
- Business aims and objectives should be SMART. What does the 'S' in this acronym stand for? Select **one** answer.
 - A Sales
 - B Special
 - C Superb
 - D Specific
- Which **one** of the following would be classified as a business financial aim or objective? Select **one** answer.
 - A Becoming independent
 - B Maximising profit
 - C Becoming environmentally aware
 - D Maximising personal satisfaction
- Which **one** of the following would be classified as a business non-financial aim or objective? Select **one** answer.
 - A Increasing market share
 - B Maximising profit
 - C Becoming carbon-neutral
 - D Increasing financial security
- What are the **two** small business start-up aims? Select **two** answers.
 - A Survival
 - B Profit maximisation
 - C Market share
 - D Financial security
 - E Acknowledging social awareness
- What are the **two** aims of a well-established, respected successful business? Select **two** answers.
 - A Financial security
 - B Market expansion
 - C Image building
 - D Survival
 - E Profit maximisation
- Usually a business is successful in its market; however, it may want to get out of its market. What are the **two** most likely reasons? Select **two** answers.
 - A No business demand
 - B An increase in competition
 - C Its market is saturated
 - D Consistent market share
 - E Lack of success
- For what **two** most important reasons do we see differences between businesses? Select **two** answers.
 - A Ability of management
 - B Types of business
 - C Productivity
 - D Stage and development
 - E Diversity

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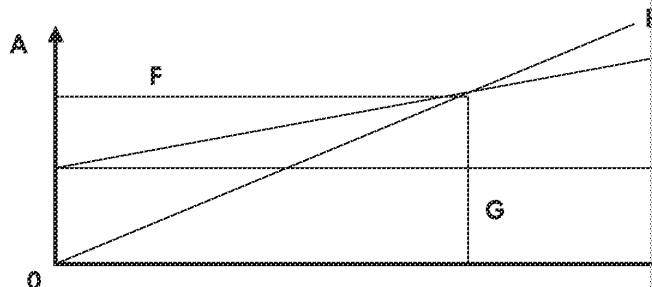
1.3.2 – Business revenues, costs and profits

- Which **one** of the following is 'the monetary income that a business receives from its ongoing sales and investments'? Select **one** answer.
 - A Expense
 - B Cost
 - C Revenue
 - D Profit
- Total cost is calculated by the formula 'total fixed costs + total variable costs'. Which **one** of the following is an example of a business fixed cost? Select **one** answer.
 - A Cost of commission paid to the sales team
 - B Cost of electricity used in production
 - C Cost of raw material used in production
 - D Cost of business rates
- Which **one** of the following best defines business profit? Select **one** answer.
 - A Excess of costs over revenues
 - B Excess of revenues over costs
 - C Excess of revenues over fixed costs
 - D Excess of revenues over variable costs
- How is the percentage interest charged on a bank loan calculated? Select **one** answer.
 - A $((\text{total repayment} - \text{amount borrowed}) \div \text{amount borrowed}) \times 100$
 - B $((\text{total repayment} - \text{amount borrowed}) \div \text{amount borrowed})$
 - C $((\text{amount borrowed} - \text{total repayment}) \div \text{amount borrowed}) \times 100$
 - D $((\text{amount borrowed} - \text{total repayment}) \div \text{amount borrowed})$
- Which **one** of the following lets a business know how many units of product it must produce in order to reach its break-even point? Select **one** answer.
 - A Margin of safety
 - B Break-even level of sales
 - C Break-even level of output
 - D None of the above
- How is the break-even point calculated? Select **one** answer.
 - A total variable cost ÷ total selling price per unit
 - B total selling price per unit ÷ total fixed cost
 - C total fixed cost ÷ total variable cost per unit
 - D total fixed cost ÷ total variable cost
- Which **one** of the following is the point on the break-even chart before it starts to make a profit?
 - A Break-even point
 - B Margin of safety
 - C Margin of profit
 - D Profit margin

Study Diagram 1 and answer questions 8–10.

- Select the **two** lines which represent 'Total revenue' and 'Total variable cost'. Select **two** answers.
 - A Line A
 - B Line B
 - C Line C
 - D Line D
 - E Line E
- Which **two** lines show 'Total revenue' and 'Total fixed cost'?
 - A Line A
 - B Line B
 - C Line C
 - D Line D
 - E Line E
- If line E remains straight, which **two** lines would cross at the break-even point? Select **two** answers.
 - A Line A
 - B Line B
 - C Line C
 - D Line D
 - E Line E

Diagram 1 – Break-even diagram



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1.3.3 – Cash and cash flow

- What is said to be the 'lifblood' of any business? Select **one** answer.
 - A Cash
 - B Profit
 - C Fixed assets
 - D Capital
- Why is cash so important to a business? Select **one** answer.
 - A Because it is not an asset
 - B To enable it to make payments due promptly
 - C It shows that the business is profitable
 - D None of the above
- If a business is insolvent, what does this mean? Select **one** answer.
 - A It cannot stick to its business plan
 - B It cannot solve its problems
 - C It has no money to pay its outstanding bills
 - D It has a cash surplus
- Which **one** of the following statements is **not** true? Select **one** answer.
 - A A business's cash flow is not the same as its profit
 - B A business's cash flow is the same as its profit
 - C Cash flow is how money moves in and out of a business
 - D Cash flow includes money in a business bank account
- For what **two** reasons might a business experience a temporary negative cash flow crisis? Select **two** answers.
 - A An unexpected but essential one-off capital expenditure
 - B Increased HP payments on an existing capital asset
 - C Declaration of insolvency
 - D A temporary cash flow problem with one of its debtors
 - E A permanent cash flow problem with one of its creditors
- What **two** important factors in the construction of a cash flow forecast have an impact on the accuracy of the forecast? Select **two** answers.
 - A Make it pessimistic
 - B Ensure the forecast is realistic
 - C Enable it to be used for decision making
 - D Facilitate the business's growth
 - E Make for a positive cash flow

Consider Table 1, below, for questions 7 to 10.

- What is the 'Net cash flow' for the month of December? Select **one** answer.
 - A (£2,000)
 - B £2,000
 - C (£22,000)
- What are the 'Opening balance' for the month of December? Select **two** answers.
 - A £5,000
 - B £4,000
 - C (£4,000)
- What are the 'Total cash inflows' for the month of December? Select **one** answer.
 - A (£11,000)
 - B £4,000
 - C £6,000
- For which of the following reasons might a business experience a cash flow crisis? Select **two** answers.
 - A New start-ups
 - B Business demand
 - C Business prediction
 - D Large, well-established businesses
 - E Cash flow requirements

Table 1 – Cash flow forecast

Cash flow forecast for the next 12 months ending December		
	October (£)	November
Cash inflows		
Sales	9,000	4,000
Rental income from property	3,000	3,000
Other inflows	12,000	7,000
Cash outflows		
Purchases	6,000	11,000
Overheads, e.g. electricity, rates	4,000	5,000
Total outflows	10,000	16,000
Net cash flow	=	(9,000)
Opening balance	3,000	=
Net cash flow	=	(9,000)
Closing balance	=	=

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1.3.4 – Sources of business finance

1. Which **two** factors will be considered by a potential lender when a small business is attempting to source finance? Select **two** answers.
- A The education level of its workforce
 - B Whether it is a new start-up business
 - C Whether it is an already established business
 - D The type of product or service it provides
 - E Its management structure
2. Which **two** of the following are **not** long-term sources of finance? Select **two** answers.
- A Crowdfunding
 - B Venture capital
 - C Share capital
 - D Bank overdraft
 - E Retained profits
3. In what **two** ways might a small business use a source of short-term finance, such as a bank overdraft, to keep a positive cash flow? Select **two** answers.
- A To pay for a sudden, unexpected but necessary repair to an important fixed asset
 - B To cover a sudden, unexpected but temporary fall in regular cash income
 - C To pay for a new item of capital equipment
 - D To facilitate maximising its physical footprint
 - E To regularly pay for day-to-day running costs
4. Venture capital finance for a new business is usually put on the business plan. Which **two** of the following are **not** usually put on the business plan?
- A That the business is ethical
 - B They intend to make a profit
 - C Return on investment
 - D A say in the business
 - E No control over the business
5. Which **two** of the following are **not** true about crowdfunding?
- A It is the most common source of finance
 - B It can be used for up or against a business
 - C It is a share of the business
 - D It raises money from a few individuals
 - E It is a loan

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1.4 – Making the business effective

1.4.1 – The options for start-up and small businesses

1. 'The owners of a business are liable only for the amount they have invested in it, irrespective of what the business's outstanding debts amounts are.' Which **one** of the following is this referring to? Select **one** answer.
 - A Unlimited liability
 - B Limited liability
 - C Profit sharing
 - D None of the above
2. How might the concept and application of 'limited liability' be a benefit to a newly started or small limited company or a partnership? Select **one** answer.
 - A Discourage its competitors
 - B Encourage creditors to give it extensive credit
 - C Encourage investors
 - D Discourage investors
3. The owner of which **one** type of small business has unlimited liability? Select **one** answer.
 - A Sole trader
 - B Private limited company
 - C Limited partnership
 - D None of the above
4. Which **two** of the following are the most likely types of business ownership for a small, start-up business? Select **two** answers.
 - A Sole trader
 - B Private limited company
 - C Public limited company
 - D Multinational corporation
 - E Global conglomerate
5. Which **two** of the following are advantages to the owner of being a sole trader? Select **two** answers.
 - A Profit sharing
 - B Unlimited liability
 - C Profits do not have to be shared
 - D Protection of limited liability
 - E Speedy implementation of business decisions made
6. Which **two** of the following are disadvantages to partners in an ordinary partnership? Select **two** answers.
 - A Not being protected by limited liability
 - B Being subject to the Partnership Act 1890 in the absence of a partnership agreement
 - C Sharing of any partnership losses
 - D Possibility of personality clashes between partners
 - E Burden of responsibility for management decision-making is shared
7. Which **two** of the following are disadvantages to shareholders of a public limited company? Select **two** answers.
 - A Their actual liability is unlimited
 - B Their personal liability is limited
 - C They receive a share of the profits
 - D They are not liable for the company's debts
 - E Their burden of responsibility is shared with other shareholders
8. Which **two** of the following are disadvantages to starting up and running a public limited company? Select **two** answers.
 - A Selling shares is difficult
 - B Selling shares is easy
 - C Selling goods to the public is difficult
 - D The seller is liable for the company's debts
 - E The seller is not liable for the company's debts
9. Franchising has its advantages and disadvantages. Which **two** of the following are disadvantages to a franchisee? Select **two** answers.
 - A Revenue is shared with the franchisor
 - B Slow but steady growth
 - C Fast way to start a business
 - D No control over the business
 - E No tax benefits received
10. For what **two** reasons might a sole trader consider a public limited company? Select **two** answers.
 - A The business can raise more capital
 - B The business can be sold more easily
 - C The business is more complex to set up
 - D The business is more difficult to operate
 - E The business is more difficult to manage

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1.4.2 – Business location

1. Apart from the nature of the business itself, what other **two** considerations might owners of a new, small business take into consideration when choosing a UK location for its operation? Select **two** answers.
- A Quality of their decision-making
 - B Proximity to the customer market
 - C Availability of suitable labour
 - D Their predominant management style
 - E The opinion of their competitors
2. What **two** factors might more strongly influence the appropriateness of the location for a potential manufacturer as opposed to the location for a GPS manufacturer? Select **two** answers.
- A The quality and quantity of GPS support services
 - B The efficiency of the telecommunications infrastructure
 - C Transport infrastructure
 - D Proximity to raw material input
 - E Availability of skilled labour
3. Which **two** types of business would most preferably choose a set-up location with a high quality and quantity of university graduates in computer and electronics? Select **two** answers.
- A GPS manufacturing business
 - B CAD/CAM of integrated circuit boards
 - C Car sales showroom
 - D General scrapyard
 - E An organic garden centre
4. What **two** impacts has the Internet had on different types of businesses? Select **two** answers.
- A Made it more difficult to start a business
 - B No impact on businesses
 - C Increased competition
 - D The enablement of e-commerce
 - E Fixed locations are always essential
5. Which are the **two** most important factors to consider when choosing a location for a local café as compared to a catalogue distributor? Select **two** answers.
- A Potential for expansion
 - B Internet access
 - C Running costs
 - D Physical facilities
 - E Ease of access

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1.4.3 – The marketing mix

- Which **one** of the following is the prime and overriding purpose of the marketing process? Select **one** answer.
 - A Maximise sales
 - B Reduce costs
 - C Increase productivity
 - D Minimise profits
- The basic marketing mix, or 4Ps, is the optimum integrated combination of which four elements? Select **one** answer.
 - A Price, practice, promotion and planning
 - B Price, product, persistence and place
 - C Price, production, promotion and profit
 - D Price, product, promotion and place
- A marketing strategy is a business's plan to increase product awareness and so increase its sales. What does it basically involve? Select **one** answer.
 - A Increasing the business's productivity
 - B Totally eliminating all competitors
 - C Tweaking the marketing mix so as to properly appeal to the target market
 - D Motivating the workforce
- Which **one** of the following is **not** true about the elements of the marketing mix? Select **one** answer.
 - A They are integrated
 - B They are not integrated
 - C They are interdependent
 - D None of the above
- 'A good marketing strategy will ensure that if a business's competitive environment or its philosophy changes in any way and for any reason, so too should its marketing mix.' With reference to this, which **one** of these statements is true? Select **one** answer.
 - A Very true in all circumstances
 - B Only true depending on the degree of change
 - C True but only if it can be planned
 - D Not at all true under any circumstances
- The COVID-19 pandemic has changed consumer needs dramatically and so has affected all businesses. On the marketing mix of small businesses, which **one** element is most likely to be affected? Select **one** answer.
 - A Price
 - B Product
 - C Promotion
 - D Place
- If a business decides to discontinue its product, what is the most likely expectation from competitors? Select **one** answer.
 - A Reduce their prices
 - B Increase their prices
 - C Embark on new products
 - D Cease trading
- What **two** elements of the marketing mix are most likely to be the quickest to change? Select **two** answers.
 - A Product
 - B Price
 - C Place
 - D Promotion
- What **two** elements of the marketing mix are most likely to be the slowest to change? Select **two** answers.
 - A Product
 - B Promotion
 - C Price
 - D Place

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1.4.4 – Business plans

1. A business plan is a written document prepared for a business ideally before it starts to trade. What **two** important roles does it have to play in the business? Select **two** answers.
- A Identify the best method for recruiting and selecting employees
 - B Identify and present a business's idea
 - C Identify and suggest a successful management strategy to adopt
 - D Identify a suitable senior management team for the business
 - E Identify and present an integrated marketing strategy
2. Why is it usually important for a business plan to be drawn up? Select **two** answers.
- A To make sure the maximum profit is always made by the business
 - B To minimise the purchase of fixed assets
 - C So it can act as a reference guide to judge performance over time
 - D To minimise the risk of business failure
 - E It will ensure business success
3. Under what **two** circumstances might it **not** be possible for a business to draw up a business plan? Select **two** answers.
- A When new competitors suddenly and unexpectedly enter the market
 - B When very rapid changes in technology impact the market
 - C When it is a new business
 - D When it is a social enterprise
 - E When it has no competitors
4. Which **two** of the following are **not** included as sections in a business plan? Select **two** answers.
- A Foreign exchange
 - B Finance sector
 - C Global economy
 - D Marketing
 - E Human resources
5. What **two** ways might a business use a business plan to raise finance? Select **two** answers.
- A Sell the plan to investors
 - B Show it to banks
 - C Show it to the business's customers
 - D Show it to the business's suppliers
 - E Show it to the business's competitors

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1.5 – Understanding external influences

1.5.1 – Business stakeholders

1. What general term applies to any person, group or organisation that has financial, social or environmental interests in the activities of a business? Select **one** answer.
 - A Accountant
 - B Shareholder
 - C Stakeholder
 - D Auditor
2. Which **one** of the following might be considered a stakeholder grouping of a business? Select **one** answer.
 - A Shareholders
 - B Local community
 - C Owners
 - D They all are
3. A well-used local city bookshop decides to expand by operating a new diesel-driven mobile bookshop serving an entire county. How might this action impact its **two** stakeholder groupings of 'owners' and an 'environmental pressure group'? Select **two** answers.
 - A Owners would feel the pressure of the need to deliver success and profit
 - B Owners would have to encourage people to read more
 - C Environmental pressure group would be disillusioned with the use of diesel
 - D Environmental pressure group would be delighted that petrol was not used
 - E Environmental pressure group would get involved in driver training
4. In what **two** ways might a business's actions have an impact on its day-to-day operations? Select **two** answers.
 - A Refuse to trade with suppliers
 - B All-out strike
 - C Invite the media to report on the business
 - D Invite the government to regulate the business
 - E Work to improve the business
5. Conflict can arise between different stakeholder groupings in a business. Which **two** of the following are the most essential skills to use to resolve such conflict?
 - A Inflexibility
 - B Delusion
 - C Negotiation
 - D Compromise
 - E Intransigence

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1.5.2 – Technology and business

1. What is the name of the process of buying, selling and paying for goods or services over the Internet? Select **one** answer.
- A PayPal
 - B Social media
 - C TikTok
 - D Electronic commerce
2. What is the generic name given to the wide variety of electronic networks of information-sharing platforms such as Facebook, YouTube and WhatsApp? Select **one** answer.
- A Social media
 - B Internet
 - C LASER
 - D Multimedia
3. What is the name of the process that involves people sending and receiving information by means of any electronic computer-based technology system; for example, email, webinar, smartphone, Zoom? Select **one** answer.
- A Analogue communications
 - B Digital communications
 - C Rational communications
 - D Ariel communications
4. In recent times, instances of the use of actual physical cash to make payments have greatly declined. This has led to the coining of which **one** of these terms? Select **one** answer.
- A Credit card
 - B Bank card
 - C Cashless society
 - D Cash-strapped society
5. How might the effective application of improved technology in a business environment impact its sales? Select **one** answer.
- A Increase them
 - B Decrease them
 - C Have no impact at all
 - D None of the above
6. If a business decides to update its internal computer network, as well as invest in very expensive computer-aided manufacturing equipment, which **one** of the following costs is it directly affected by? Select **one** answer.
- A Total costs
 - B Total variable
 - C Unit variable costs
 - D Fixed costs
7. What element, or elements, will be directly impacted by introducing new technology into a business? Select **one** answer.
- A Product efficiency
 - B Product quality
 - C Product, price and quality
 - D Product, price and efficiency
8. Which **one** of the following is likely to have the least impact on a business? Select **one** answer.
- A The extent of external communication
 - B The methods of production and access to the market
 - C The use of technology by the buyer and seller
 - D The use of technology by the buyer and seller
9. Which of the following are advantages to a business? Select **two** answers.
- A An ability to reduce costs
 - B Guaranteed sales
 - C An increase in sales
 - D A secure method of payment
 - E A worldwide market
10. Which **two** of the following are likely to be impacts for a manufacturer introducing a new technology into its workplace? Select **two** answers.
- A An immediate increase in production wastage
 - B A long-term increase in productivity
 - C An immediate increase in productivity
 - D A short-term increase in productivity
 - E A reduction in the need for employee training

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1.5.3 – Legislation and business

1. Identify **two** reasons why there is a need for consumer legislation. Select **two** answers.
 - A To protect sellers against false consumer allegations
 - B To protect sellers against themselves
 - C To protect customers against poor-quality products or services
 - D To protect consumers against bad business practices
 - E To protect consumers against themselves
2. Why is there UK employment law? Select **two** answers.
 - A To protect employees against mandatory induction training
 - B To protect employees from unfair pay practices regarding pay
 - C To protect employees against legal action from customers
 - D To protect employees against excessive cost-of-living costs
 - E To protect employees against discrimination at work
3. Which of the following are **two** basic employer requirements of the Health and Safety at Work Act 1974? Select **two** answers.
 - A To make first-aid equipment and resources easily available and accessible
 - B To make the pay grades of all employees freely available for all to see
 - C To ensure that all employees have a clear progression path
 - D To make fresh drinking water available for all employees
 - E To ensure that all employees always wear fire protection safety clothing
4. Under the Health and Safety at Work Act 1974, which **two** of the following are requirements for employers? Select **two** answers.
 - A Take a cost-effective approach to safety
 - B Ensure the safety of their employees is their responsibility
 - C Undertake safety training at their own expense
 - D Make use of safety clothing
 - E Formally identify hazards to employees
5. What **two** impacts do health and safety regulations have on a business? Select **two** answers.
 - A Cost impacts on non-competitive products
 - B Consequences of non-compliance
 - C Sets a fair wage for employees
 - D Encourages employees to work longer hours
 - E Impacts its ability to attract employees

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1.5.4 – The economy and business

1. One measure of the state of the nation's economic climate is the overall level of employment within a country. For what **two** reasons might a person **not** be in gainful employment but may not be classified as technically unemployed? Select **two** answers.
- A They have inherited wealth and do not need to work
 - B They are in full-time education
 - C They are not legally entitled to work
 - D They are not physically able to work due to a medical condition
 - E They do not want to work
2. Which **two** of the following would be the most likely outcome of an increase in the general level of consumer income? Select **two** answers.
- A Increase in overall demand for luxury goods and services
 - B Decrease in overall demand for luxury goods and services
 - C Increase in overall demand for everyday basic goods and services
 - D Decrease in overall demand for everyday basic goods and services
 - E Decrease in the supply of luxury goods and services
3. How might an increase in UK interest rates impact the average consumer? Select **two** answers.
- A Encourage them to emigrate
 - B Discourage their spending
 - C Encourage them to save
 - D Encourage them to borrow
 - E Discourage them from borrowing
4. In simple terms, in what direction might an increase in the money supply lead to a change in the price level? Select **two** answers.
- A Decrease
 - B Increase
 - C Increase
 - D Increase
 - E Decrease
5. Which **two** of the following would be the most likely outcome of an increase in the general level of consumer income? Select **two** answers.
- A An increase in the price level
 - B An increase in the price level
 - C Value added increases
 - D Imports of consumer goods increase
 - E A rise in the price level

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1.5.5 – External influences

1. A business will attempt to control all factors that influence it. However, there are some important external factors over which a business has no direct control. What are **two** such factors in the list below? Select **two** answers.
- A Pricing strategy
 - B Government legislation
 - C Economic climate
 - D The working population
 - E The actions of competitors
2. Developments in technology create external influences that cannot be directly controlled by most businesses. However, for a business that does have direct control over these external influences, what **two** impacts might such developments have on it?
- A Create new opportunities for it to explore and exploit
 - B Increase its potential target market
 - C Cause its total variable costs to dramatically increase
 - D Pose a threat to it by causing its existing products to become obsolete
 - E Dramatically reduce its fixed cost expenditure
3. In what **two** ways might a small cash-strapped business respond to a VAT increase imposed by the government? Select **two** answers.
- A Absorb at least part of the VAT increase
 - B Absorb the full increase in VAT without exemption
 - C Ignore it by non-compliance with the increase
 - D By not completing the VAT return form required by HMRC
 - E Increase the selling price of those goods subject to the VAT increase
4. If the government National Living Wage is introduced for short-to-medium-term contracts, what are the **two** most likely effects for a small labour-intensive business? Select **two** answers.
- A Small decrease in demand
 - B Large increase in demand
 - C A slight decrease in demand
 - D An extensive increase in demand
 - E Permanent increase in demand
5. What are the **two** most likely effects on the overall business environment if there is a sudden change in interest rates? Select **two** answers.
- A Long-term opportunities created by increased investment
 - B Long-term opportunities created by increased savings
 - C Review of business strategy
 - D Consumer spending increases
 - E Consumer spending decreases

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2.1 – Growing the business

2.1.1 – Business growth

1. Why is it financially important for most businesses to strive to grow? Select **two** answers.
 - A To create an image
 - B To help them better deal with market competitors
 - C To satisfy consumers
 - D To make employees feel secure
 - E To become more physically dominant in their market
2. Which of the following are **two** examples of internal, or organic, business growth? Select **two** answers.
 - A Spend on research and development
 - B Expand into new markets
 - C Merger with other businesses
 - D Voluntary takeover of other businesses
 - E Hostile takeover of other businesses
3. External, or inorganic, growth can be achieved by which **two** of these methods? Select **two** answers.
 - A Altering the marketing mix
 - B Application of technology
 - C Merger
 - D Takeover
 - E Innovation
4. A business can grow by becoming a public company. Which **two** are true about this type of company?
 - A Its members have unlimited liability
 - B It has share capital
 - C It has statutory duties
 - D It cannot be sued
 - E It has no liability
5. What **two** sources of finance are most commonly used for growing a business, opposed to use for start-up, by medium-to-large businesses?
 - A Unsecured bank loans
 - B Become a public company
 - C Use retained profits
 - D Sale of fixed assets
 - E Unsecured bank overdrafts

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2.1.2 – Changes in business aims and objectives

1. Which **two** of the following factors are most likely to impact the aims and objectives of a developing and evolving business? Select **two** answers.
- A Market performance
 - B Investor apprehension
 - C Government legislation
 - D Competition between its suppliers
 - E World conflict
2. Which **two** of the following business models are most likely to focus their aims and objectives on market survival above all others? Select **two** answers.
- A A small established business in an expanding market
 - B Very recent new business start-up
 - C A large established business with a growing market share
 - D A new business under the threat of serious competition
 - E A profitable multinational conglomerate
3. What **two** reasons might be responsible for a business having aims and objectives eventually involving a reduction in its workforce? Select **two** answers.
- A The increasing availability of off-the-job training schemes
 - B Increasing cost of technology
 - C Increasing cost of labour
 - D Falling cost of labour
 - E Desire to become more technologically engaged
4. The aims and objectives of a business whose product range changes frequently, grows and expands, and whose statements are true, are most likely to be those of a business with a product portfolio that is:
- A A small number of products, smaller products, established products
 - B A small number of products, smaller products, new products
 - C A large number of products, ensure business survival, ensure business growth
 - D A large number of products, high risk of business failure, high risk of business success
 - E A large number of products, small limited product range
5. If a business has a high level of market domination, for what reason might it exit that market?
- A Compliance with government regulations
 - B To protect its market share
 - C To generate cash
 - D Market failure or collapse
 - E Too many competitors

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2.1.3 – Business and globalisation

- The fact that the world is considered as 'shrinking' in terms of trade, communication and travel is referred to as which **one** of these? Select **one** answer.
 - A Global warming
 - B Social media syndrome
 - C Commercialisation
 - D Globalisation
- When UK businesses buy in goods and services from foreign countries what is this called? Select **one** answer.
 - A Importing
 - B Exporting
 - C Trading
 - D Commerce
- Which of the following is the best and fullest definition of UK exporting? Select **one** answer.
 - A UK businesses selling goods to foreign countries
 - B UK businesses buying goods from foreign countries
 - C UK businesses selling goods and services to foreign countries
 - D Goods and services being sold to UK businesses by foreign countries
- Developments and improvements in Internet provision, the relative ease of website development and the increased facilities for secured online payment processing make which of the following factors of least consideration for the location of a registered office of an international trading business? Select **one** answer.
 - A Cost of premises
 - B Location of premises
 - C Ease of physical access for customers
 - D Internal design of premises
- Which **one** of the following words best relates to a multinational corporation? Select **one** answer.
 - A Micro
 - B Small
 - C Local
 - D Transnational
- Which **one** of the tax on the goods from abroad? Select **one** answer.
 - A Tariff
 - B Quota
 - C VAT
 - D None of the above
- What **two** advantages are there from being part of a trade bloc? Select **two** answers.
 - A Military security
 - B Tariff-free trade
 - C Tariff-free trade with the bloc
 - D It shares in the bloc's budget
 - E Guaranteed market
- Which **two** courses of action do businesses realistically take to overcome an international marketing barrier? Select **two** answers.
 - A Make more products and electrical goods
 - B Involve international marketing agencies
 - C Ignore the barrier
 - D Be arrogant
 - E Selectively target marketing
- Which **two** of the following are not trade barriers? Select **two** answers.
 - A Political or economic stability
 - B Stable government
 - C Tariffs
 - D Trade blocs
 - E Trade barriers
- What **two** most likely reasons do third-world businesses export internationally? Select **two** answers.
 - A Better-educated workforce
 - B Lower labour costs
 - C Less adverse environmental conditions
 - D More extensive computer networks
 - E Better infrastructure

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2.1.4 – Ethics, the environment and business

1. In what **two** ways might a business's 'ethical credentials' be effectively measured? Select **two** answers.
- A The working conditions of its employees
 - B The amount of profit it makes
 - C The number of workers it employs
 - D The sourcing of its supplies
 - E The number of computerised machines it has
2. Which **two** of the following might result from a business acting in an ethical and socially responsible manner? Select **two** answers.
- A Guaranteed market growth
 - B Employee unrest over wages
 - C Increase in profit
 - D Decrease in supplier loyalty
 - E Decrease in customers
3. What are the **two** most likely environmental issues concerning a business today? Select **two** answers.
- A Profit maximisation
 - B The extent of its impact on global warming
 - C Cash flow
 - D Its rate of labour turnover
 - E Its contribution to renewable energy
4. In what **two** ways might a business's negative attitude towards the environment and total lack of concern about its impact on a business's success impact a business? Select **two** answers.
- A Enhance its reputation
 - B Increase its sales
 - C Result in a loss of customers
 - D Loss of staff
 - E Difficulties in raising finance
5. In what **two** ways might a business's market research and marketing activities of an ethical and socially responsible nature impact a business's success? Select **two** answers.
- A Cause it to lose sales from a competitor
 - B Declare it to be socially irresponsible
 - C Encourage it to use single-use packaging
 - D Insist that it should work with no profit
 - E Insist that it should employ more staff

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2.2 – Making marketing decisions

2.2.1 – Product

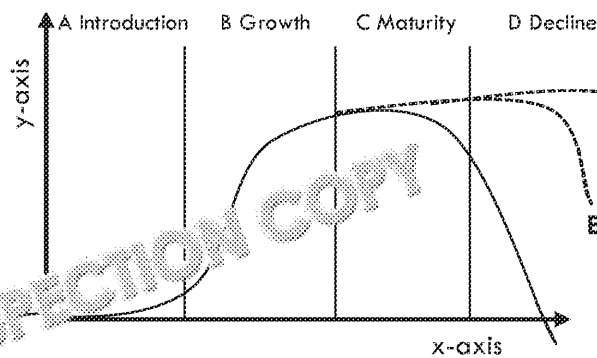
1. Which **two** of the following are **not** components of the product design mix triangle model? Select **two** answers.
- A Aesthetics
 - B Function
 - C Cost
 - D Selling price
 - E Obsolescence

Study Diagram 2, below, and then answer questions 2 to 4.

2. What labels should be written on the y-axis and the x-axis? Select **two** answers.
- A y-axis: Sales
 - B y-axis: Time
 - C x-axis: Output
 - D x-axis: Time
 - E x-axis: Sales
3. During product life cycle phase C, which of the following **two** events happen? Select **two** answers.
- A Sales are at their minimum
 - B Sales become maximised
 - C The product becomes firmly established in its market
 - D There is still potential for sales to expand dramatically
 - E The product inevitably dies and is taken off the market

4. What **two** letters represent product extension strategies? Select **two** answers.
- A Letter B
 - B Letter C
 - C Letter D
 - D Letter E
 - E Letter F
5. For what **two** reasons is product extension used in the process of product development? Select **two** answers.
- A To ensure a product is profitable
 - B To get a product into a new trading area
 - C To reduce the risk of a product failing
 - D To protect a market from competitors
 - E To maintain a product in a trading area

Diagram 2 – Product life cycle



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2.2.2 – Price

- Which **one** of the following is 'the amount of money a business charges its customers when they buy its products or services'? Select **one** answer.
 - A Expense
 - B Cost
 - C Price
 - D Profit
- Which **one** of these is the name given to a method used by a business to establish the best selling price for its product or service, so as to maximise and maintain its profits in a dynamic market? Select **one** answer.
 - A Marketing strategy
 - B Pricing strategy
 - C Production strategy
 - D Supply strategy
- Which **one** of the following factors would impact the pricing decision of a business? Select **one** answer.
 - A The cost involved in its manufacture, promotion and distribution
 - B The image that it has created and intends to uphold
 - C Its market demand and availability
 - D All of the above
- Basically, a business or a high-price strategy chooses a low-price strategy which **one** of the following is the implication for the business?
 - A High sales
 - B High sales
 - C Low sales
 - D Low sales
- Which **one** of the following factors would influence a business's pricing decision? Select **one** answer.
 - A The level of competition
 - B Its expected sales
 - C The level of demand from competitors
 - D The level of production

2.2.3 – Promotion

- What are the **two** reasons why a business promotes its products or services? Select **two** answers.
 - A To inform the public about products or services it sells
 - B To reduce its costs
 - C To ensure its financial survival
 - D To appease its employees
 - E To persuade the public to buy products or services it sells
- Which **two** of the following are elements of a business's promotional mix? Select **two** answers.
 - A Employees
 - B Advertising
 - C Trade unions
 - D Sales promotion
 - E Competitors
- What are the **two** main aims of an effective sales promotion strategy mix? Select **two** answers.
 - A To inform potential consumers only about the physical aspects of the product
 - B To closely mirror the product's life cycle
 - C Result in an immediate short-term increase in sales
 - D Increase the business's production output
 - E Create a brand loyalty and so lead to medium-to-long-term repeat purchases
- Which **two** of the following are not media 'product placement' strategies? Select **two** answers.
 - A It is a product placed in a TV advertisement
 - B It is a model of a product used in a TV advertisement
 - C It is a substitute for a product in a TV advertisement
 - D It never features a product
 - E It is intended to reach a target audience
- For which of the following is access to the Internet below is access to the Internet? Select **two** answers.
 - A E-newsletters
 - B Social media
 - C BOGOF (Buy One Get One Free)
 - D Personalisation
 - E Hoarding

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2.2.4 – Place

1. What are the **two** most important functions of the 'place' factor of the marketing mix? Select **two** answers.
 - A Get products to the right place for convenient purchase by consumers
 - B Make sure the selling environment is suitable for customers
 - C Get products to their selling point on time to satisfy consumer demand
 - D Source products efficiently from suppliers
 - E Security of the retail outlet
2. In order to be considered an e-tailer, what **two** facilities are absolutely essential for a business to have? Select **two** answers.
 - A A desktop computer
 - B Access to a printer
 - C In-depth knowledge of Microsoft Office
 - D Access to the Internet
 - E Appropriate storage facilities
3. Who are the only **two** entities involved in a direct channel distribution system? Select **two** answers.
 - A E-tailer
 - B Producer
 - C Final consumer
 - D Retailer
 - E Wholesaler
4. What are the **two** differences between producer and retailer? Select **two** answers.
 - A Assist the consumer with any issues
 - B Provide financial advice
 - C Buy in bulk
 - D Sell in small quantities to the final consumer
 - E Check the quality of the product from the producer
5. Which **two** of the following are advantages of a direct channel distribution system? Select **two** answers.
 - A They are more cost-effective
 - B They have more control over the distribution process
 - C They are more flexible
 - D They get direct feedback from the customer
 - E Customer service is easier

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2.2.5 – Using the marketing mix to make business decision

1. The fact that all elements of the marketing mix are interdependent and reliant on each other results in the 'coining' of which of the following terms? Select **one** answer.
 - A The marketing mix
 - B The integrated marketing mix
 - C The product mix
 - D The design mix
2. How might the product element of the marketing mix impact its price? Select **one** answer.
 - A If a product is promoted as exclusive then it needs to be priced high
 - B If a product is promoted as exclusive then it needs to be priced low
 - C Promotion is not a part of the place element of the marketing mix
 - D Promotion does not impact any other element of the marketing mix
3. How might the product element of the marketing mix be used to gain a business competitive advantage over rivals? Select **one** answer.
 - A The marketing mix element 'product' cannot impact competitive advantage
 - B By selling a higher-quality product at a higher price than their rivals
 - C By selling a lower-quality product at a lower price than their rivals' products
 - D By highlighting a unique selling point for their product over their rivals' products
4. Apart from price, marketing mix can create a competitive advantage. Which of the following is **not** a marketing mix element?
 - A Product
 - B Place
 - C Promotion
 - D All of the above
5. Which **one** of the following is **not** a reason why an effective marketing mix can positively impact a business's competitive advantage over its rivals?
 - A Because it can create a unique selling point that positively impact the business's competitive advantage
 - B It negates the impact of the business's competitors
 - C It facilitates the business's ability to communicate about the business's products and services
 - D An integrated marketing mix can create a competitive advantage over its rivals

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2.3 – Making operational decisions

2.3.1 – Business operations

- What is the basic purpose of business operations? Select **one** answer.
 - A Produce goods and provide services
 - B Always maximise profits
 - C Be environmentally friendly
 - D To provide employment for local people
- Which **one** of the following best explains the production of goods as a whole business process? Select **one** answer.
 - A Input and output
 - B Input, process, output
 - C Input, process, output, distribution for private retail
 - D Input, process, output, persuasive advertising
- The production of a one-off and unique bespoke product is an example of which **one** of the following types of production? Select **one** answer.
 - A Job
 - B Batch
 - C Flow
 - D Mass
- Why might the production of a unique and bespoke product be particularly problematic for a business? Select **one** answer.
 - A They are not under pressure to produce a quality product
 - B It puts their reputation directly on the line
 - C They can afford to produce a substandard product
 - D Producing bespoke units is not at all particularly problematic for a business
- Which **one** of the following does flow production most lend itself to? Select **one** answer.
 - A Labour intensity in the workplace
 - B Artisan workmanship
 - C Automation
 - D Extensive and irreversible training of the workforce
- When a **fixed** quantity of identical units is produced in the same production run, what type of production system is in operation? Select **one** answer.
 - A Flow
 - B Job
 - C Mass production
 - D Batch production
- Why might a business change its production method or order? Select **one** answer.
 - A To ensure a target is achieved
 - B To improve quality
 - C To facilitate production
 - D To make the most of a firm's assets
- How might a business improve its productivity? Select **one** answer.
 - A Threaten to close the business
 - B Offer financial incentives
 - C Reduce the number of employees
 - D Offer employees training
 - E Cancel the business
- What **two** positive impacts might new technology in production have? Select **two** answers.
 - A Significant reduction in wastage
 - B Improve the business's reputation
 - C Motivate employees
 - D Facilitate production
 - E Facilitate distribution
- 'Technology impacts production' is a statement, which of the following are most correct? Select **two** answers.
 - A Advantages of technology must be weighed against disadvantages
 - B It can reduce the cost of a business
 - C It will always improve productivity
 - D Workers will be replaced by machines
 - E It will always improve product quality

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2.3.2 – Working with suppliers

- What is the primary purpose of stock management in a business environment? Select **one** answer.
 - A To make sure the business makes a profit
 - B To make sure that the business always has sufficient stock to fulfil a customer order
 - C To encourage overstocking
 - D To make sure the business remains competitive
- Which **one** of the following is a traditional stock control system that encourages the holding of a minimum buffer, or reserve backup, stock just in case it is needed to fulfil an order? Select **one** answer.
 - A Just-in-time stock control
 - B Not-in-time stock control
 - C Bar gate stock control
 - D Inventory control
- What type of stock control system ensures that a business has raw material stocks available only when needed for production and completion of a customer order? Select **one** answer.
 - A A just-in-time stock control system
 - B A traditional stock control system
 - C A bar gate stock control system
 - D An order-based stock control system
- Which **one** of the following can a business rightly regard as stock? Select **one** answer.
 - A Raw materials
 - B Work in progress
 - C Finished goods
 - D All of the above
- What is the name given to the process of a business buying in raw material stock to turn into finished goods, or buying in finished goods to sell to its customers? Select **one** answer.
 - A Logistics
 - B Stock procurement
 - C Bar gate stock control
 - D Just-in-time stock control
- Which **one** of the business plans, or movement of products, from suppliers or customers? Select **one** answer.
 - A Stock management
 - B Bar gate
 - C Logistics
 - D Procurement

Study Diagram 3, below, and answer questions 7 and 8.

7. In the bar gate stock control system, what do line A and line B represent? Select **two** answers.

- A Line A – reorder level
- B Line B – maximum stock level
- C Line C – reorder level
- D Line D – maximum stock level
- E Line E – reorder level

8. In the bar gate stock control system, what do line C and line D represent? Select **two** answers.

- A Line A – reorder level
- B Line B – maximum stock level
- C Line C – reorder level
- D Line D – maximum stock level
- E Line E – reorder level

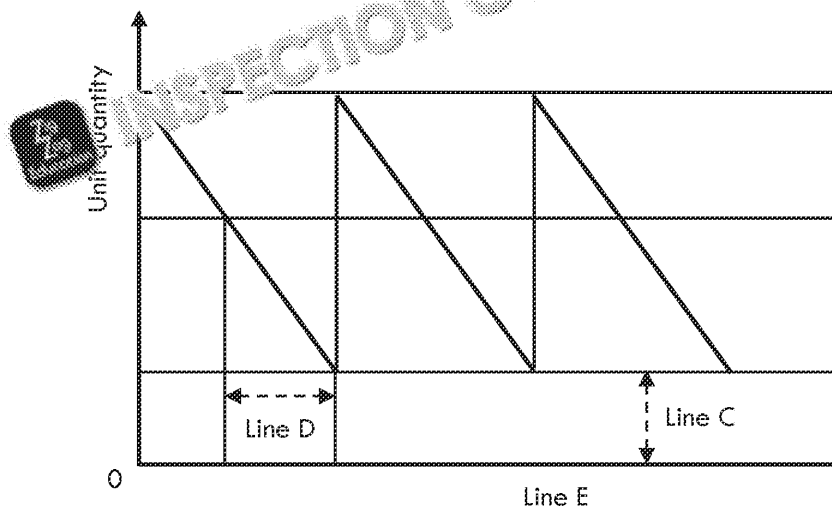
9. Which **two** of the following are characteristics of a good relationship between a business and its suppliers? Select **two** answers.

- A Quality products
- B Low-quality products
- C Reliable products
- D Highly priced products
- E Mistrust

10. Poor logistical decisions made by a business can result in which **two** of the following? Select **two** answers.

- A Competitiveness
- B Customer loyalty
- C Induction
- D Creditworthiness
- E Reputation

Diagram 3 - Bar gate stock control chart



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2.3.3 – Managing quality

- How might the quality of a product or service be ultimately measured? Select **one** answer.
 - A By the price of the product or service
 - B By the durability of the product or service
 - C By the extent to which its provider's expectations are met
 - D By the extent to which its user's expectations are met
- Which **one** of the following would usually involve a one-off, end-of-production-run, sample check? Select **one** answer.
 - A Quality assurance
 - B Quality control
 - C Quantity assurance
 - D Quantity control
- Which **one** of the following is a certifiable, systematic, ongoing process of checks and balances that a business employs to make sure that its product or service is delivered to the final consumer defect-free? Select **one** answer.
 - A Quantity assurance
 - B Quality expectations
 - C Quality assurance
 - D Quality control
- How might good quality be achieved in a business? Select **one** answer.
 - A By attempting to reduce costs
 - B By controlling quality
 - C By ensuring quality
 - D By ensuring quality at a low cost
- Which **one** of the following is a key to the successful implementation of a quality management system? Select **one** answer.
 - A High rate of change
 - B Low rate of change
 - C Consistent change
 - D Competitive change

2.3.4 – The sales process

- Which **one** of the following processes is a system of logical incremental steps a salesperson should go through in order to effect an actual sale? Select **one** answer.
 - A Costing process
 - B Purchasing process
 - C Sales process
 - D Recruitment process
- What is the overriding importance for a business of always providing good customer service? Select **one** answer.
 - A Environmental image protection
 - B Discouragement of repeat sales
 - C Keeping costs under control
 - D Keeping the customer satisfied
- Which **two** of the following are **not** stages in the sales process? Select **two** answers.
 - A Customer engagement
 - B Justification of pricing policy
 - C Efficiency of service
 - D Product ignorance
 - E Post-sales service
- For which **two** reasons might a business be considered a sales process? Select **two** answers.
 - A Because it encourages sales
 - B Because it encourages repeat sales
 - C Because it encourages interested parties to know the product
 - D Because it encourages the product to be sold
 - E Because it encourages knowledge of the product
- An 'after-sales' sales process. Which **two** ways that this could be implemented? Select **two** answers.
 - A Sell the product manually
 - B Offer buy-back after the sale
 - C Offer to pre-arrange the sale
 - D Provide a dedicated department
 - E Force buy-back on product

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2.4 – Making financial decisions

2.4.1 – Business calculations

- A business trades and so gets sale revenue income. It also incurs costs, and consequently makes a profit or a loss over a trading period. In broad terms, which **one** of the following best defines a business loss? Select **one** answer.
 - A Excess of sales revenue over costs
 - B Excess of costs over sales revenue
 - C When sales revenue and costs are equal
 - D None of the above
- Costs take the form of those incurred in providing the actual goods for trading, and also include the general expenses of day-to-day trading. In light of this, which **one** formula best calculates gross profit? Select **one** answer.
 - A Sales revenue plus all selling expenses
 - B Sales revenue plus cost of sales
 - C Sales revenue less cost of sales
 - D Sales revenue less all selling expenses

Study Table 2, below, and then answer questions 3 to 6.

- What is the gross profit for Year 1? Select **one** answer.
 - A £30,000
 - B £40,000
 - C £50,000
 - D £70,000
- What is the net profit for Year 2? Select **one** answer.
 - A £20,000
 - B £30,000
 - C £10,000
 - D None of the above
- The gross profit margin can be used to compare the profitability of a business over time. What is the gross profit margin for Year 1? Select **one** answer.
 - A £30
 - B 30%
 - C 40%
 - D £40
- What is the net profit margin for Year 2? Select **one** answer.
 - A 40%
 - B £40
 - C 30%
 - D £30
- If the net profit margin for Year 1 is 30%, what is the net profit for Year 1? Select **one** answer.
 - A For every £16.67 worth of sales
 - B For every £16.67 worth of profit
 - C For every £16.67 worth of cost
 - D For every £16.67 worth of sales revenue
- Profit margins are used to measure the performance on profit of a business to judge its profitability. Which **one** of the following options it is present in the calculation of profit margin? Select **one** answer.
 - A Average
 - B Gross profit
 - C Net profit
 - D Average

Study Table 3, below, and then answer questions 9 and 10.

- What is the average rate of return for Choice A? Select **one** answer.
 - A 13%
 - B £13
 - C £26
 - D 26%
- Consider 'Choice A' in Table 3. Then, using the following criteria, identify which investment choice is the most profitable. Select **one** answer.
 - A Choice A
 - B Choice B
 - C Choice C
 - D Choice D

Table 2 – Income, costs and expenses

	Year 1	Year 2
Sales revenue	£100,000	£120,000
Cost of sales	£60,000	£70,000
Running expenses	£10,000	£30,000

Table 3 – Possible investment choices

Investments	Choice A	Choice B	Choice C
Yr. 0 initial cost outlay	£100,000		
Yr. 1 profit from	£45,000		
Yr. 2 profit from	£35,000		
Yr. 3 profit from	£25,000		
Yr. 4 profit from	£15,000		
Yr. 5 profit from	£10,000		
Average rate of return	-	21%	18%

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2.4.2 – Understanding business performance

1. What is the name given to raw numerical business data that can be counted, verified and statistically manipulated? Select **one** answer.
 A Qualitative business data
 B Quantitative business data
 C Statistically approved data
 D Statistically sensitive data
2. How might quantitative data be used in a business context? Select **one** answer.
 A To support business decision-making
 B To help make more informed business decisions
 C To justify business decision-making
 D All of the above
3. When using bar and line charts to present information to an audience, which of the following are the most important basic considerations that must be given to the presentation? Select **two** answers.
 A Always clearly label and scale each axis on the presentation's chart or graph
 B It must be in colour
 C It must be presented using Microsoft PowerPoint
 D Always give the presentation's chart or graph a very clear title
 E Inconsistency between the scales of similar charts and graphs is essential
4. From the list below, which are the only **two** types of purely financial data? Select **two** answers.
 A List of company directors
 B List of stakeholders
 C Employee complaints records
 D Break-even chart
 E Cash flow forecast
5. Which of the following **two** statements are correct? Select **two** answers.
 A Marketing data does not provide a business with quantitative information
 B Marketing data can provide a business with quantitative information
 C Marketing data can provide a business with qualitative information
 D Marketing data does not provide a business with quantitative information
 E Marketing data is never totally reliable
6. Which of the following is correct? Select **two** answers.
 A Primary research is quantitative data
 B Primary research is qualitative data
 C Secondary research is quantitative in nature
 D Secondary research is qualitative in nature
 E Secondary research is both primary and secondary
7. Which **two** of the following are not types of market research? Select **two** answers.
 A It cannot be used to identify target markets
 B It can be used to identify target markets
 C It cannot be used to identify target markets
 D It can be used to identify target markets
 E It shows the size of target markets
8. Market data is most commonly used to segment a market. Which of the following are specifically represented by market data? Select **two** answers.
 A Age
 B Education
 C Disposable income
 D Income tax
 E Gender
9. Which **two** of the following are ways of comparing business performance? Select **two** answers.
 A With its nearest competitors
 B With the performance of other businesses in the same industry
 C With the performance of other businesses in the same sector
 D With the performance of a similar business
 E With the performance of a different business
10. Which **two** of the following are not types of data that can be used to make an informed decision? Select **two** answers.
 A It must be quantitative data
 B It must be qualitative data
 C It must be primary data
 D It must be secondary data
 E It must be tertiary data

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2.5 – Making human resource

2.5.1 – Organisational structures

- Which **one** of the following business organisations is most likely to have a tall hierarchical structure? Select **one** answer.
 - A Market stall trader
 - B Local fish and chip shop
 - C Local hairdresser
 - D Multinational corporation
- Which **one** of the following might be classed as a disadvantage of a flat-structured organisation? Select **one** answer.
 - A Wide span of control
 - B Slow decision making
 - C Easily measured career paths available
 - D Organisational structure for all employees
- In which **one** of the following organisations would a flat structure be wholly inappropriate? Select **one** answer.
 - A Corner retail shop
 - B Small farm holding
 - C The military
 - D Market stall holder
- Which of the following could be a criticism levelled at a business with a centralised management structure format? Select **one** answer.
 - A Lack of accountability of entities far from central head office
 - B Slow to react to change
 - C Lack of aims and objectives for all parts of the business
 - D None of the above
- Which **one** of the following is least likely to suffer from problems with effective communications? Select **one** answer.
 - A Large centralised organisation
 - B Tall hierarchical organisation
 - C Very large multinational corporation
 - D Small flat-structured organisation
- Formal communication can be used in which of the following organisational structures? Select **one** answer.
 - A Tall hierarchical
 - B Flat structure
 - C Decentralised
 - D Micro business
- Which **one** of the following is not a form of business communication? Select **one** answer.
 - A Email message
 - B Internal memo
 - C Word of mouth
 - D Webinar
- Insufficient communication can be a problem in which of the following? Select **one** answer.
 - A Internal communication
 - B Internal communication and external communication
 - C External communication
 - D External communication
- Which **one** of the following is not a benefit of flexible working by some as the main reason for offering flexible working to employees? Select **one** answer.
 - A Part-time working
 - B Full-time working
 - C Seasonal working
 - D Zero-hour contracts
- Which **one** of the following is not a form of flexible working? Select **one** answer.
 - A Part-time working
 - B Full-time working
 - C Remote working
 - D Flexible working

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2.5.4 – Motivation

1. For what **two** reasons is it most important to have a well-motivated workforce? Select **two** answers.
- A To impress competitors
 - B To attract new staff
 - C To encourage repeat purchases
 - D To retain existing staff
 - E To be socially acceptable
2. Which **two** of the following are methods of employee motivation? Select **two** answers.
- A Money
 - B Non-monetary perks and benefits
 - C Fear
 - D Persuasion
 - E Threat
3. Which **two** of the following are financial incentives? Select **two** answers.
- A Job enrichment
 - B Job rotation
 - C Autonomy
 - D Commission
 - E Remuneration
4. Which **two** of the following are non-financial incentives? Select **two** answers.
- A Remuneration
 - B Autonomy
 - C Job enrichment
 - D Commission
 - E Bonus
5. How might using financial incentives motivate an employee? Select **two** answers.
- A Make them feel valued within the organisation
 - B Make them feel they are part of a big vision
 - C Make them feel their ability is recognised
 - D To consider the needs of individual employees
 - E Autonomy of employees

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1.1 – Enterprise and entrepreneurship

1.1.1 – The dynamic nature of business

- The UK business environment is capable of rapid change. Which **one** of the following words clearly reflects this? Select **one** answer.
 - A Dynamism
 - B Conservative
 - C Sluggish
 - D Capitalism
- Space tourism as proposed by Sir Richard Branson, Jeff Bezos and Elon Musk is best regarded as which **one** of the following? Select **one** answer.
 - A Astronaut training for the masses
 - B An exciting new mode of transport
 - C A new test in entrepreneurial endeavour
 - D A new test in entrepreneurial endeavour
- Business activity can arise from which **one** of the following? Select **one** answer.
 - A Lack of customer demand
 - B The constant need to repair or replace consumer goods
 - C An economic slowdown
 - D High level of unemployment
- Which **one** of the following is the earliest example of a device resulting from the saying 'necessity is the mother of invention'? Select **one** answer.
 - A Space rocket
 - B Electric light bulb
 - C Archimedes' screw
 - D Refrigerator
- Which **one** of the following is a relatively new business idea? Select **one** answer.
 - A Electric motor cars
 - B Reusable space rockets
 - C Home computers
 - D Navigation devices
- In response to the demand created by built-in product obsolescence and in order to generate competition between businesses, which **one** of the following happens? Select **one** answer.
 - A New business ideas are generated by entrepreneurs
 - B There is a reduction in entrepreneurial activity
 - C Few new business ideas are ever generated
 - D None of the above
- Which **two** of the following factors result in the reselection of new business ideas? Select **two** answers.
 - A A growing market
 - B Ignoring customer demand
 - C A stagnant market
 - D Risk-taking entrepreneurs
 - E High level of unemployment
- Rapid development of ever-changing services result in which **two** of the following? Select **two** answers.
 - A A fall in the majority of services
 - B A lack of innovation
 - C Some products are replaced
 - D Growth in the economy
 - E Some companies fail
- Which **two** of the following are criteria of a modern 'influencer' promotion service? Select **two** answers.
 - A Be a free product or service
 - B Have access to a platform
 - C Be 'media friendly'
 - D Be a well-known name
 - E Have own content of active interest
- Being able to adapt to changing customer requirements and needs as well as develop and improve services are the **two** of the following? Select **two** answers.
 - A A dynamic market
 - B A risk-averse market
 - C A stagnant market
 - D All of the above

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1.1.2 – Risk and reward

- Which **one** of the following statements about a business risk is true? Select **one** answer.
 - A It cannot be statistically calculated
 - B It can be statistically calculated
 - C It never occurs
 - D None of the above
- Which **one** of the following statements about a business uncertainty is **not** true? Select **one** answer.
 - A It is never a course of action a business takes
 - B Its final outcome is known
 - C Its outcome can be statistically calculated
 - D It cannot be statistically calculated
- Why might a business receive a reward? Select **one** answer.
 - A For overcoming risk and uncertainty
 - B For succumbing to risk and uncertainty
 - C For making consistent financial losses
 - D For failing to achieve the position of market leader
- Select **two** practical ways of reducing the element of risk in a business.
 - A Never undertake a new project
 - B Form a steering committee
 - C Infrequent financial provision
 - D Never do financial forecasting
 - E Take out insurance
- In what **two** ways do businesses judge the value of a project in the short term? Select **two** answers.
 - A The success rate compared to other projects
 - B The number of projects that are profitable
 - C The success rate compared to its immediate competitors
 - D The percentage of projects that are successful in its market
 - E The amount of profit that the business has gained

1.1.3 – The role of business enterprise

- An entity that provides goods or services for sale to the general public, as well as other businesses, is generically known as which **one** of these? Select **one** answer.
 - A Social enterprise
 - B Public company
 - C Private company
 - D Business enterprise
- What is said to happen when an entrepreneur identifies a market and takes action to satisfy it? Select **one** answer.
 - A Consumers are restricted in their choice of shops
 - B Business activity
 - C Prices inevitably rise
 - D Unemployment follows
- Which of the following is **not** a role of an entrepreneur? Select **one** answer.
 - A To raise business resources
 - B To make business risks
 - C Make difficult decisions
 - D All of the above
- Which of the following is **not** a way in which a business can 'add value' to a product? Select **two** answers.
 - A Having it made by hand
 - B Improving the quality of the product
 - C Creating a new product
 - D Creating a new service for it
 - E Limit its production
- Providing a profit and satisfying customers are basic roles of a business. Which of the following is **not** a basic role of a business? Select **one** answer.
 - A For-profit
 - B Social enterprise
 - C Charity
 - D All of the above

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1.2 – Spotting a business opportunity

1.2.1 – Customer needs

- Which **one** word from the list below clearly defines the real difference between a consumer need and a consumer want? Select **one** answer.
 - A Justified
 - B Normal
 - C Essential
 - D Fictional
- Which **one** of the following would **not** be considered a basic consumer need? Select **one** answer.
 - A Clothing
 - B Shelter
 - C Food
 - D Petrol for a car
- Which **one** of the following can market research techniques help a business to identify and understand? Select **one** answer.
 - A Consumer needs and wants
 - B Exchange rates
 - C The reasons for labour turnover
 - D The pay differential between some workers
- Which **two** of the following are consumer wants rather than needs? Select **two** answers.
 - A Porsche 911
 - B Igloo
 - C Jacket
 - D PS5
 - E Slice of bread
- In order to plan for the future, a business should eventually maximise the following. Select **two** answers.
 - A Show lack of interest in customers
 - B Identify a niche market
 - C Isolate its target market
 - D Plan for customer needs
 - E Identify a niche market

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1.2.2 – Market research

1. What does market research fully involve? Select **one** answer.
- A Systematic collection and analysis of data collected from the general public
 - B Systematic collection of data
 - C Systematic analysis of data
 - D Haphazard collection of data
2. Which **one** of the following departments of a business is least directly responsible for making sure that it has a consistently positive monthly net cash inflow? Select **one** answer.
- A Finance department
 - B Sales department
 - C Market research department
 - D Human resources department
3. Which **one** of the following is also known as 'primary research'? Select **one** answer.
- A Internal research
 - B Field research
 - C Desk research
 - D Secondary research
4. An up-to-date published government report can be positively used for which **one** of the following? Select **one** answer.
- A Secondary research
 - B Primary research
 - C Field research
 - D Observational research
5. Which **one** of the following statements about desk research is true? Select **one** answer.
- A It is also known as primary research
 - B It was always desk research
 - C It results from primary research
 - D It is not the same as secondary research
6. Gathering historical data and information from a business's own trusted and verified internal records archive **cannot** be regarded as which **one** of the following? Select **one** answer.
- A Secondary research
 - B Primary research
 - C Desk research
 - D Reliable research
7. Which **two** of the following statements relate to qualitative market research? Select **two** answers.
- A It is never used for product development
 - B It only goes to the top management
 - C It is heavily used for product development
 - D It is not structured
 - E Results are not analysed
8. Which **two** of the following statements relate to quantitative market research? Select **two** answers.
- A It can be used for product development
 - B It cannot be used for product development
 - C It cannot be used for product development
 - D It can be used for product development
 - E It cannot be used for product development
9. Which **two** of the following statements are drawbacks for a social media platform for market research? Select **two** answers.
- A It makes it difficult to verify the existence of the target market
 - B Over-reliance on the 'intention' of the target market
 - C An ill-chosen platform may not attract the target market
 - D It could turn out to be time-consuming
 - E Restricts the range of specific segments
10. How might unreliable market research affect a business? Select **two** answers.
- A Present key information properly
 - B Give it a good market data
 - C Cause an increase in sales
 - D Distort the target market
 - E Waste its resources

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1.2.3 – Market segmentation

- Which **one** of the following does the process of market segmentation involve? Select **one** answer.
 - A Dividing the production process into small manageable steps
 - B Ignoring small markets in favour of larger ones
 - C Combining all the smaller markets into one large market
 - D Dividing a mass market into small targeted sections
- What does the term 'demographics' mean? Select **one** answer.
 - A Demonstrating data collected using graphs
 - B Analysing the characteristics of people
 - C Analysing market trends
 - D Using a spreadsheet using Microsoft Office
- In what **two** ways can a business use market mapping? Select **two** answers.
 - A To analyse a market
 - B To cost an advertising campaign
 - C To identify an ideal procurement route for raw materials
 - D To identify and target potential customers
 - E To streamline operating costs
- Which of the following are criteria for market segmentation? Select **two** answers.
 - A Location
 - B Gender
 - C Quality
 - D Quantity
 - E Hair colour
- What **two** uses might a business have for market segmentation? Select **two** answers.
 - A To guarantee profit
 - B To navigate a market crisis
 - C To identify market trends
 - D To better understand customer behaviour
 - E To find its administrative weaknesses

1.2.4 – The competitive environment

- When operating in the same competitive environment, what do all businesses have in common? Select **one** answer.
 - A A common goal of always helping each other
 - B Their own individual strengths and weaknesses
 - C A structured business plan
 - D None of the above
- In a competitive business environment, what should a business be best advised to do in order to remain competitive? Select **one** answer.
 - A Ignore its own strengths
 - B Ignore its competitors' weaknesses
 - C Play to its own strengths and ignore competitors' weaknesses
 - D Play to its competitors' strengths and ignore its own weaknesses
- Domino's pizza claims 'You get fresh, hot pizza delivered to your door in 30 minutes or less... or it's free.' How would you best classify this claim? Select **one** answer.
 - A Impossible to fulfil
 - B Domino's Pizza company overstating its ability
 - C A brand name slogan
 - D A USP for a Domino's pizza
- A business should identify its strengths and weaknesses of its products using the following criteria. Which **two** are most likely to be used in a SWOT analysis? Select **two** answers.
 - A Unique selling point
 - B Personalities of staff
 - C Product range
 - D Customer service
 - E Stock prices
- How might an advertisement for a new competitor in a market be best described? Select **two** answers.
 - A Cause the 'red herring' effect
 - B Cause the 'red herring' effect
 - C Cause the 'red herring' effect
 - D Cause the 'red herring' effect
 - E Cause the 'red herring' effect

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1.3 – Putting a business idea into practice

1.3.1 – Business aims and objectives

- The long-term aspirational goals of any business specifically refer to which **one** of these? Select **one** answer.
 - A Its objectives
 - B Its aims
 - C Its motives
 - D Its practices
- Business objectives refer to which **one** of the following? Select **one** answer.
 - A Business long-term aspirations
 - B The long-term necessity to achieving its main aim
 - C A short-term business 'stepping stone' to achieving its aims
 - D None of the above
- Which **one** of the following statements about business aims and objectives is true? Select **one** answer.
 - A They never change over time
 - B They only change with the seasons
 - C They are the same for new business start-ups as for established businesses
 - D They are subject to change over time
- Business aims and objectives should be SMART? What does the 'M' in this acronym stand for? Select **one** answer.
 - A Measurable
 - B Mature
 - C Manipulative
 - D Many
- Profit maximisation is considered to be which **one** of the following? Select **one** answer.
 - A An essential basic aim of a social enterprise
 - B A business's only aim or objective
 - C A business's financial aim or objective
 - D Unachievable by any business
- Which **one** of the following would **not** be classified as a business's non-financial aim or objective? Select **one** answer.
 - A Becoming a profit maximisation entity
 - B Being socially acceptable to all stakeholders
 - C becoming totally carbon-neutral within, say, five years
 - D Becoming totally capital-intensive
- Market survival of a business depends on the two most likely of the following? Select **two** answers.
 - A Well-established
 - B New, small
 - C Global, multi-national
 - D Well-established businesses
- What are the **two** most important factors for a business established, financially sound and regarded as an employer? Select **two** answers.
 - A Achievement of business objectives
 - B Certificate of Health and Safety
 - C Quality of products and services
 - D Realistic financial forecasts and emissions
 - E Acquisition of relevant industry credentials
- Consistently experienced and well-trained staff coupled with a large market share would be two reasons why a business might do which **two** of the following? Select **two** answers.
 - A Continue to grow
 - B Totally exit the market
 - C Ignore its competitors
 - D Revisit its business strategy
 - E Confirm its business strategy
- The type of product and the stage of the product life cycle might be two reasons why a business might do which **two** of the following? Select **two** answers.
 - A To differentiate from competitors of similar size
 - B To remain in the market
 - C To be dynamic and change in response to market conditions
 - D To be the market leader irrespective of competitors
 - E To be in line with government regulations

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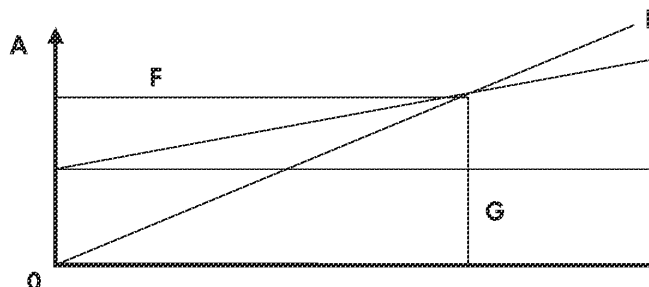
1.3.2 – Business revenues, costs and profits

- Which **one** of the following defines the term 'revenue'? Select **one** answer.
 - A Money income that a business receives from its sales and investments
 - B Profit that a business makes over the year
 - C Money paid to HMRC on profits
 - D Profit after all expenses have been paid
- Building insurance, fire insurance and public liability insurance are all examples of what type of business cost? Select **one** answer.
 - A Total cost
 - B Marginal cost
 - C Variable cost
 - D Fixed cost
- Excess revenue over costs defines which **one** of the following? Select **one** answer.
 - A Loss
 - B Profit
 - C Marginal cost
 - D Break-even
- Consider the following formula: $((\text{total repayment} - \text{amount borrowed}) \div \text{amount borrowed}) \times 100$. Which of the following does it calculate? Select **one** answer.
 - A The notional interest charged on a loan
 - B The monetary interest charged on a loan
 - C The percentage interest charged on a loan
 - D None of the above
- What does the calculation of a business's 'margin of safety' show? Select **one** answer.
 - A The number of units it can safely produce
 - B The number of units that will allow it to break even
 - C The number of units that will make it a profit
 - D How many units it must produce in order to reach its break-even point
- Study this formula: $\text{per unit} - \text{variable cost} = \text{contribution}$. What does this formula calculate? Select **one** answer.
 - A Break-even point
 - B Break-even output
 - C Profit
 - D Sales revenue
- Which of the following is **not** a measure of 'margin of safety' in production? Select **one** answer.
 - A Break-even point
 - B Break-even output
 - C Break-even sales revenue
 - D None of the above

Study Diagram 1, below, and answer questions 8 to 10.

- The measurement of the 'margin of safety' is shown between which **two** increasing variables? Select **two** answers.
 - A Line A
 - B Line B
 - C Line C
 - D Line D
 - E Line E
- Which **two** lines show the relationship between 'Total revenue' and 'Total variable cost'? Select **two** answers.
 - A Line A
 - B Line B
 - C Line C
 - D Line D
 - E Line E
- If line D remains constant, what is the effect on the 'margin of safety' of a rightward movement of which line? Select **one** answer.
 - A Line A
 - B Line B
 - C Line C
 - D Line D
 - E Line E

Diagram 1 – Break-even diagram



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1.3.3 – Cash and cash flow

- Anecdotally, cash is said to be which **one** of the following? Select **one** answer.
 - A A liability for a business
 - B Profit a business makes
 - C King – the lifeblood of any business
 - D The downfall of any business
- Which one of these statements is **not** true? Select **one** answer.
 - A Cash is not important to a business in the short term
 - B Cash is most important to a business especially in the short term
 - C Cash is not the same as profit
 - D Cash cannot be used as a 'store of value'
- A business with no cash to pay its outstanding bills is said to be **what**? Select **one** answer.
 - A Insolvent
 - B Profitable
 - C Solvent
 - D Insolvent
- Which **one** of the following statements is true? Select **one** answer.
 - A Cash flow is not the same as profit
 - B Cash flow is the same as profit
 - C Cash flow is deferred revenue income
 - D Cash flow should always be negative
- An unexpected one-off capital payment and a temporary cash flow problem of a debtor might directly be the cause of a business experiencing which **one** of these? Select **one** answer.
 - A An unexpected profit
 - B An unexpected loss
 - C A temporary positive cash flow
 - D A temporary negative cash flow crisis
- What **two** important factors are considered in the construction of a cash flow forecast? Select **two** answers.
 - A Unforeseen events
 - B Statistical analysis of historical estimates
 - C Physical measurement of cash flows
 - D The ability to predict the future
 - E None of the above

Consider Table 1, below, for questions 7, 8 and 10.

- What are the 'Sales' for the month of October?
 - A £15,000
 - B £9,000
 - C £22,000
- What are the 'Rent' and 'Overheads' for the month of October? Select **two** answers.
 - A £3,000
 - B £11,000
 - C (£16,000)
- What is the 'Opening balance' for the month of October? Select **one** answer.
 - A £5,000
 - B £10,000
 - C (£6,000)
- Which **two** of the following are **not** predicted in the cash flow forecast? Select **two** answers.
 - A Times of cash flow crisis
 - B Times of cash flow surplus
 - C Business loss
 - D Times of cash flow surplus
 - E Business profit

Table 1 – Cash flow forecast

Cash flow forecast for three months ending December		
	October (£)	November (£)
Cash inflows		
Sales	=	4,000
Rental income from properties	3,000	=
Total inflows	12,000	7,000
Cash outflows		
Purchases	6,000	11,000
Overheads, e.g. electricity, rates	4,000	5,000
Total outflows	10,000	16,000
Net cash flow	=	=
Opening balance	3,000	5,000
Net cash flow	=	=
Closing balance	5,000	=

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1.3.4 – Sources of business finance

1. Which **one** of the following is most likely to find it difficult to get a loan from a financial institute? Select **one** answer.
- A A small, well-established sole trader
 - B A small, newly started sole trader
 - C A large, well-established public company
 - D A multinational corporation
2. How is a bank overdraft classified? Select **one** answer.
- A A really expensive form of business finance
 - B A business's immediate cash outflow
 - C Short-term source of finance
 - D Long-term source of finance
3. Why might a business need a small, short-term financial boost? Select **one** answer.
- A To prevent it from going into predicted short-term negative cash flow
 - B To buy a very expensive new fixed asset
 - C To finance regular long-term HP payments
 - D None of the above
4. Which **two** of the possible long-term successful and well **two** answers.
- A Venture capital
 - B Bank overdraft
 - C Trade credit
 - D Retained profits
 - E None of the above
5. Which **two** of the following are true about crowdfunding?
- A It is a short-term source of finance established only for start-ups
 - B Its aim is to raise money from each contributor
 - C It is a long-term source of finance primarily for start-ups
 - D It is not the same as a bank overdraft
 - E Its aim is to raise money from each contributor

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1.4 – Making the business effective

1.4.1 – The options for start-up and small businesses

- Which **one** of the following groupings is protected by 'limited liability'? Select **one** answer.
 - A All shareholders of a company
 - B All stakeholders of a company
 - C All employees of a company
 - D All senior managers of a company
- Which **one** of the following is most likely to encourage new investors in a company? Select **one** answer.
 - A Lack of threat from competitors
 - B Good credit rating and reputation
 - C Good debt collection facilities
 - D Limited liability protection
- Which of the following does **not** offer limited liability protection to its owners? Select **one** answer.
 - A Sole trader
 - B Private limited company
 - C Limited partnership
 - D Public limited company
- Which of the following is a likely type of business ownership for a small, newly started for-profit business? Select **one** answer.
 - A Multinational corporation
 - B Registered charity
 - C Public limited company
 - D Private limited company
- Which **one** of the following is an advantage to being the owner of a sole trader business? Select **one** answer.
 - A Business responsibilities and duties are not shared
 - B Unlimited liability
 - C Profits have to be shared
 - D Protection of limited liability
- Which **two** of the following are advantages to partners in an ordinary partnership? Select **two** answers.
 - A No limited liability protection
 - B Protection of the Partnership Act 1890
 - C Sharing of the partnership's liabilities
 - D Inevitably clashes between partners
 - E Ability of involvement in a slow decision-making process
- Which **two** of the following are disadvantages to the owners of a partnership? Select **two** answers.
 - A Cannot rely on the stock market
 - B Profit sharing
 - C Protection of limited liability
 - D Requirement to share the general management
 - E Their business is shared with others
- Which **two** of the following are disadvantages about running a franchise? Select **two** answers.
 - A Requirement to share the general management
 - B Royalty payments
 - C Total freedom to set business restrictions
 - D An operational manual
 - E No fees to pay
- Franchising has its advantages as well as disadvantages for both the franchisor and the franchisee. Which of the following are disadvantages for the franchisor? Select **two** answers.
 - A Likelihood of success
 - B Worry about quality of goods and services
 - C Relatively low start-up costs
 - D Some costs must be carried by the franchisee
 - E Total liability carried by the franchisor
- What **two** factors are likely to be considered by a business considering franchising? Select **two** answers.
 - A Total costs
 - B An agreed royalty rate
 - C A desire to share the general management
 - D A well-established reputation
 - E A desire to share the general management

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1.4.2 – Business location

1. Which of the following are the **two** most likely considerations of a multinational conglomerate choosing a UK location for its headquarters? Select **two** answers.
- A The number of government grants available
 - B The political stability of the UK
 - C The linguistic ability of the potential labour force
 - D The predominant religion in the UK
 - E The opinion of its competitors
2. What **two** factors might more strongly influence the appropriateness of the location of a manufacturer of printed circuit boards or a supplier to the location of a factory packaging frozen peas? Select **two** answers.
- A Availability and quantity of local industrial engineering maintenance services
 - B Efficiency of the telecommunications infrastructure
 - C State of the road transport infrastructure
 - D Proximity to raw material input
 - E Availability of skilled labour
3. Which **two** of the following types of business activity would be the most labour-intensive? Select **two** answers.
- A GPS manufacturing business
 - B CAD/CAM production of integrated circuit boards
 - C Asparagus farms
 - D Luxury yacht building
 - E Family car production factory
4. What are the **two** 'foreign business' **two** answers.
- A The prime minister's policy on worldwide trade
 - B Low corporate tax rates
 - C Generous government grants are available
 - D Very light taxation on worldwide income
 - E The education system is world-class
5. Which **two** factors are most likely to influence the decision when deciding whether to install a central heating system for home heating?
- A Potential energy savings
 - B Proximity to a gas supply
 - C Internet access
 - D Proximity to a gas supply
 - E Supporting infrastructure

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1.4.3 – The marketing mix

1. Sales maximisation is the overall goal of which **one** of these? Select **one** answer.
- A Staff retention process
 - B Recruitment process
 - C Marketing process
 - D Production process
2. The elements of price, product, promotion and place make up what? Select **one** answer.
- A The advertising mix
 - B The sales mix
 - C The product mix
 - D The marketing mix
3. What is the name given to a business plan aimed at increasing production and so increasing its sales? Select **one** answer.
- A Marketing strategy
 - B Production strategy
 - C Management style
 - D Motivating strategy
4. Which **one** of the following is true about all the elements of the marketing mix? Select **one** answer.
- A They are integrated
 - B They are not integrated
 - C They are always independent of each other
 - D They cannot be altered
5. Which **one** of the following statements is correct? Select **one** answer.
- A No business needs a marketing strategy
 - B A marketing strategy is not a plan
 - C A good marketing strategy should be responsive to the changing environment
 - D A good marketing strategy should be 'written in stone'
6. Which **one** element of the marketing mix would appear to impact most on an extremely cash-strapped family? Select **one** answer.
- A Price
 - B Product
 - C Promotion
 - D Place
7. Because of developments in technology, the 'promotion' element of the marketing mix has had more impact than ever. Which **one** of the following has had the most impact? Select **one** answer.
- A The change in population
 - B The cost of advertising
 - C Rapid developments in technology
 - D None of the above
8. How might a business gain a competitive advantage with its competitors? Select **one** answer.
- A By temporarily reducing prices
 - B By moving to a new location
 - C By an act of innovation
 - D By suddenly reducing quality
9. Which **one** element of the marketing mix is most likely to be the easiest to alter? Select **one** answer.
- A Product
 - B Price
 - C Place
 - D Promotion
10. The quality of which element of the marketing mix is likely to be the most difficult to alter? Select **one** answer.
- A Product
 - B Promotion
 - C Price
 - D Place

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1.4.4 – Business plans

1. Which of the following are **two** important features of a business plan? Select **two** answers.
- A It is a physical document
 - B It must be word-processed
 - C It must be declared to HM Revenue and Customs
 - D It must have the approval of all employees
 - E It should be first drawn up before the business starts trading
2. What **two** uses might a business plan have for any business? Select **two** answers.
- A To act as an ongoing budget achievement reference
 - B To make the business popular with customers
 - C To act as a motivational forward
 - D To totally eliminate business risks
 - E To ensure total business success
3. What external factors might prevent an established business from being able to rapidly change its existing business plan? Select **two** answers.
- A Lack of in-house planning expertise
 - B Lack of the business owner's personal drive
 - C Lack of internal business finance
 - D When additional new competitors suddenly enter the market
 - E When a new product suddenly comes on the market
4. Which **two** of the following are **not** sections in a business plan?
- A Financial
 - B Potential
 - C Exaggerated
 - D Marketing
 - E Competitive
5. In what **two** ways might a business plan impress potential investors?
- A A plan with realistic figures
 - B A plan listing errors
 - C A plan with realistic figures
 - D A plan with realistic figures about success
 - E A plan that shows the business owner and customer

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1.5 – Understanding external influences

1.5.1 – Business stakeholders

- Which **one** of the following is the best definition of a business stakeholder? Select **one** answer.
 - A Anyone who has financial, social or environmental interests in a business
 - B Anyone who owns shares in a business
 - C A non-vegan business owner
 - D A business owner
- Which **one** of the following might be considered a non-stakeholder in a business? Select **one** answer.
 - A Shareholders
 - B The government
 - C Suppliers
 - D None of the above
- If a nationwide delivery business decided to change its van fleet from diesel power to electric power, which of the following **two** stakeholder groupings might be most pleased? Select **two** answers.
 - A Electricity supplier
 - B Creditors
 - C Employees
 - D Fuel suppliers
 - E Environmental pressure group
- In what **two** ways might a business reduce its material supplier output? Select **two** answers.
 - A Reduce its use of materials
 - B Reduce its production of materials
 - C Disrupt its supply chain
 - D Disrupt its production process
 - E Incite its employees to work overtime
- Which of the following is a business strategy to deal with a stakeholder conflict? Select **one** answer.
 - A Being flexible
 - B Ignoring it
 - C Intransigence
 - D Compromise
 - E Concession

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1.5.2 – Technology and business

1. What does e-commerce refer to? Select **one** answer.
- A Buying, selling and paying for goods or services over the Internet
 - B Buying, selling and paying for goods or services over the WWW
 - C Easy commerce
 - D Everlasting commerce
2. Which **one** of the following entire groupings is an example of 'social media'? Select **one** answer?
- A Excel, YouTube and Access
 - B PowerPoint, YouTube and WhatsApp
 - C Facebook, YouTube and WhatsApp
 - D Facebook, YouTube and WhatsApp
3. Which **one** of the following is a digital communication device? Select **one** answer.
- A Wind-up radio
 - B Smartphone
 - C Audio tape recorder
 - D Photocopier
4. Which **one** of these is largely responsible for the sudden growth in the 'cashless society'? Select **one** answer.
- A Accessibility of card-reading machines
 - B Fear of identity theft
 - C Developments in digital technologies
 - D Decline in analogue technologies
5. The effective application of improvements and developments in all types of technology usually has which of the following impacts on a business's sales? Select **one** answer.
- A Causes them to decrease
 - B Causes them to remain static
 - C Causes them to fluctuate
 - D Causes them to increase
6. A business's fixed costs would increase as a direct result of which **one** of these actions? Select **one** answer.
- A Investment in a new CAD/CAM machine
 - B Increased electricity running cost of the CAD/CAM machine
 - C Administration costs involved in the purchase of a CAD/CAM machine
 - D None of the above
7. Which **one** of the relationships between technology is **not** correct?
- A All elements are directly impacted
 - B No elements are directly impacted
 - C The product mix will be impacted
 - D Both the product mix and the process will be impacted
8. Developments in technology usually influence a business's sales. Select **one** answer.
- A Consumer behaviour
 - B Environmental factors
 - C Digital technologies
 - D All of the above
9. Which of the following are disadvantages to using computers? Select **two** answers.
- A An inability to store data
 - B The possibility of data being hacked
 - C Recruiting staff
 - D The cost of computer equipment
 - E The potential for errors is limited
10. Back in the 1970s, computer-aided business production was represented by the following activities. Which **one** of these was **not** represented by the computer-aided production process?
- A Design
 - B Digital
 - C Marketing
 - D Manipulation
 - E Manufacturing

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1.5.3 – Legislation and business

1. Which **two** of the following are examples of consumer protection law? Select **two** answers.
- A Equality Act 2010
 - B Health and Safety at Work Act 1974
 - C Trade Descriptions Act 1968
 - D National Minimum Wage Act 1998
 - E Consumer Protection Act 1987
2. Which **two** of these are covered by UK employment laws? Select **two** answers.
- A Tanning
 - B Discrimination
 - C Murder
 - D Pay
 - E Tax evasion
3. Which **two** of the following are **not** basic employer requirements of the Health and Safety at Work Act 1974? Select **two** answers.
- A The payment of a living wage
 - B Provision of drinking water
 - C Provision of first-aid equipment
 - D To make sure that employees wear necessary safety clothing
 - E The provision of private medical and pension schemes
4. Under the Health and Safety at Work Act 1974, which **two** of the following are mandatory requirements for a business? Select **two** answers.
- A To always provide a safe working environment
 - B To comply with all relevant legislation
 - C To undertake risk assessments where necessary
 - D To use control measures to reduce risks and prevent accidents
 - E To remain up to date with relevant legislation
5. What **two** negative impacts does business legislation usually have on a business? Select **two** answers.
- A Always increases the cost of doing business
 - B Inevitably reduces the number of employees
 - C Increases the risk of business failure
 - D Increases the risk of business success
 - E Always causes a loss of stakeholder confidence

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1.5.4 – The economy and business

1. Which **two** of the following statements best describes an employed person? Select **two** answers.
- A Regular full-time employee who receives some form of remuneration
 - B Regular part-time employee who receives some form of remuneration
 - C Irregular employee who does not get remunerated in any way
 - D A person who is never in gainful employment
 - E An itinerant worker
2. Which **two** of the following would be the most likely outcome of a fall in the general level of consumer income? Select **two** answers.
- A Increase in demand for luxury goods and services
 - B Decrease in demand for luxury goods and services
 - C Increase in the supply of luxury goods and services
 - D Increase in average disposable consumer income
 - E Decrease in the supply of luxury goods and services
3. What might be the **two** most likely short-to-medium-term reactions of the average small-to-medium-sized business if UK bank interest rates were to substantially fall? Select **two** answers.
- A Decrease their reliance on ICT
 - B Increase their efficiency
 - C Increase their borrowing to invest
 - D Closure
 - E Discourage them from saving
4. Inflation is basic. Which **two** of the following best describes about inflation? Select **two** answers.
- A It does not affect the value of the pound sterling
 - B It impacts on the value of the pound sterling
 - C Inflation is a decrease in the value of the pound sterling
 - D The constant increase in the value of the pound sterling
 - E Inflation is a decrease in the value of the pound sterling
5. Which **two** of the following would be the most likely outcome of a decrease in the value of the pound sterling? Select **two** answers.
- A A decrease in the value of the pound sterling usually goes hand in hand with a decrease in the value of the pound sterling
 - B A decrease in the value of the pound sterling usually goes hand in hand with a decrease in the value of the pound sterling
 - C Value added tax is a tax on the value added to a product or service
 - D Exports are sold at a lower price in the foreign market
 - E A rise in the value of the pound sterling makes UK exports more competitive

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1.5.5 – External influences

1. With regard to the general business environment, which **two** of the following statements are true about changes in technology, legislation and the economic climate? Select **two** answers.
- A They are internal factors that influence business behaviour
 - B They are external factors that influence business behaviour
 - C A business has direct control over these factors
 - D A business has no direct control over these factors
 - E They are factors that have no influence over business behaviour
2. How might developments in technology negatively impact a business? Select **two** answers.
- A Increase its profits to increase
 - B Reduce employee motivation
 - C Fear of job loss might cause employees to strike
 - D Cause production to decline
 - E Could cause increased training costs to the business
3. VAT is an indirect tax imposed on some goods and services by the government. What **two** impacts might a decrease in value added tax have on a small struggling retail business? Select **two** answers.
- A Increase its sales
 - B Decrease its sales
 - C Cause it to reprice most of its products
 - D Cause it to replace most of its products
 - E It will not have an impact at all
4. What **two** impacts might a decrease in National Living Wage have on consumer spending? Select **two** answers.
- A Much more consumer spending
 - B Large increase in buying new products
 - C A slight decrease in spending
 - D A possible increase in basic needs spending
 - E No noticeable change in spending
5. What are the **two** most likely impacts on overall business performance from a prolonged downturn in the economy? Select **two** answers.
- A An economic recovery
 - B Pessimism about the future recovery
 - C A protracted period of inactivity
 - D A future recession
 - E No consequences

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2.1 – Growing the business

2.1.1 – Business growth

- Why is business growth important to a business? Select **two** answers.
 - A To create and maintain an image of market authority
 - B To give it the wherewithal to effectively deal with competitors
 - C To satisfy consumer needs and wants
 - D To keep employees feeling secure
 - E To satisfy HMRC
- Which **two** of the following are **not** areas of internal business growth? Select **two** answers.
 - A New products, research and development
 - B Expanding into new markets
 - C Merging with other businesses
 - D Takeover of other businesses
 - E Opening new business outlets
- Inorganic growth is **not** achieved by which of these **two** methods? Select **two** answers.
 - A Opening additional outlets
 - B Research and development of new products
 - C Merging with similar businesses
 - D Hostile takeover of similar businesses
 - E Voluntary takeover of dissimilar businesses
- A small business can be a private company. Which of the following is **not** true about this type of business? Select **one** answer.
 - A Its members have unlimited liability
 - B It has no limit on the number of members
 - C It has no limit on the number of directors
 - D It cannot be a limited liability company
 - E It has statutory duties
- Which **two** sources of finance are used to grow an enterprise as opposed to a business? Select **two** answers.
 - A Unsecured bank loan
 - B Becoming a public limited company
 - C Retained profits
 - D Sale of fixed assets
 - E Unsecured bank overdraft

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2.1.2 – Changes in business aims and objectives

1. Which **two** of the following factors are least likely to impact the long-term goals of a large, successful, well-established multinational conglomerate? Select **two** answers.
- A Worldwide economic recession
 - B The emergence of small, financially weak competitors
 - C UK government changes to corporation tax
 - D A slight change to UK living wage regulations
 - E A temporary downward turn in the UK economy
2. Which **two** of the following would be the most likely priority focal points of a newly established business? Select **two** answers.
- A Shareholder value
 - B Profit maximisation
 - C Accreditation with green credentials
 - D Achieving a positive cash flow
 - E Market domination
3. For what **two** reasons might a business reduce its workforce? Select **two** answers.
- A Fear of poor labour relations
 - B A decreasing reliance on technology
 - C Government-inspired increase in the minimum wage rate level
 - D Falling cost of labour
 - E In a move towards being more capital-intensive
4. For what **two** reasons might a business build up a product range? Select **two** answers.
- A To highlight its brand
 - B To make the most of its production capacity
 - C To complete a product line
 - D As a back-up market for its main product
 - E Analysing the market in a new area
5. For what **two** reasons might a business enter a new market? Select **two** answers.
- A It might be a natural extension of its current market
 - B Lack of full capacity in its current market
 - C Fear of competitors entering the market
 - D Fear of a saturated market
 - E Fear that its current market is declining

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2.1.3 – Business and globalisation

- In terms of the world of business, what does the word 'globalisation' mean? Select **one** answer.
 - A The world is considered as 'expanding' in terms of trade, communication and travel
 - B The world is a globe
 - C The world is considered as 'shrinking' in terms of trade, communication and travel
 - D The end of the world is nigh
- What does the word 'importing' mean? Select **one** answer.
 - A Internal trade between UK businesses
 - B Improving UK dockland areas
 - C UK businesses selling goods and services to foreign countries
 - D UK businesses buying goods and services from foreign countries
- Which **one** of the following best defines the process of UK businesses buying goods from foreign countries? Select **one** answer.
 - A Importing
 - B Exporting
 - C Trading
 - D Supplying
- Developments and improvements in the 'internet of things' have made which **one** of the following least significant? Select **one** answer.
 - A Location of a registered office of an international business
 - B Availability of a market
 - C Improvements in technological infrastructure
 - D Improvements in the education system
- Which **one** of the following words least relates to a multinational corporation? Select **one** answer.
 - A Large
 - B Small
 - C Mini
 - D Micro
- Which **one** word best describes a 'tariff'? Select **one** answer.
 - A Service
 - B Quota
 - C Tax
 - D Sales
- What **two** business factors have caused the UK experience of trade with the EU? Select **two** answers.
 - A Loss of an export market
 - B Loss of control over the value of the pound
 - C Ability to trade with countries outside the EU
 - D Being part of the EU
 - E Problems with exchange rates
- Which **two** courses of action should the UK government take to make it a more competitive market? Select **two** answers.
 - A Do not pay for international trade
 - B Be belligerent towards international trade
 - C Supply universal services
 - D Display to the world that the UK is open to trade dealings
 - E Undertake international trade
- Which **two** of the following are not the UK's international strengths?
 - A Location, especially in the south, by water
 - B London, a centre of excellence
 - C Import quality goods from the UK
 - D UK's ability to trade with the world
 - E A tendency to speak English
- What are the **two** main reasons why many developing countries are outcompeting the UK? Select **two** answers.
 - A Their lack of natural resources
 - B Their lack of infrastructure
 - C Their lack of technology
 - D Their lack of computer technology
 - E Their lack of commercial skills

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2.1.4 – Ethics, the environment and business

1. Which of the following **two** criteria do **not** provide the best evidence of a business's 'green' credentials? Select **two** answers.
- A The number and quality of energy-saving devices it operates
 - B The amount of profit it makes over the year
 - C The origin of its sources of supplies
 - D Its commitment to a recycling policy
 - E Its level of general capital investment
2. Which **two** of the following might result from a business regularly failing to act in an ethical and socially responsible way? Select **two** answers.
- A Increase in market growth
 - B Increase in profits
 - C Having to cope with the wrath of environmentalists
 - D Loss of customers
 - E Increased employee recruitment
3. Which **two** of the following are **not** environmental issues that should influence and impact the daily operating activities of a business? Select **two** answers.
- A Cash flow
 - B Veganism
 - C Climate change
 - D Air pollution
 - E Single-use plastics
4. In what **two** ways does a business's attitude to good practice and concern about doing the right thing impact a business?
- A Compromising on quality
 - B Increase in sales
 - C Protecting its reputation
 - D Increase in customer loyalty
 - E Earn it credibility
5. In what **two** ways does a business's marketing strategy get impacted by the actions of a pressure group? Select **two** answers.
- A Hacking into the company's database
 - B Having the company's reputation threatened
 - C Peaceful protest and public relations promotion
 - D Aggressive tactics outside the company's control
 - E Spreading false information

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2.2 – Making marketing de

2.2.1 – Product

1. Which **two** of the following are components of the product design mix triangle model? Select **two** answers.

- A Aesthetics
- B Function
- C Decline
- D Growth
- E Obsolescence

Study Diagram 2, below, and then answer questions 2 and 3.

2. What labels should be given to column B and column C? Select **two** answers.

- A Column B: Maturity
- B Column B: Growth
- C Column B: Introduction
- D Column C: Maturity
- E Column C: Decline

3. During product life cycle phase D, which of the following **two** events happen? Select **two** answers.

- A Product sales are steady
- B Product sales are in the ascendancy
- C Product sales decline
- D Product extension strategies are initially started
- E Product's certain market death occurs

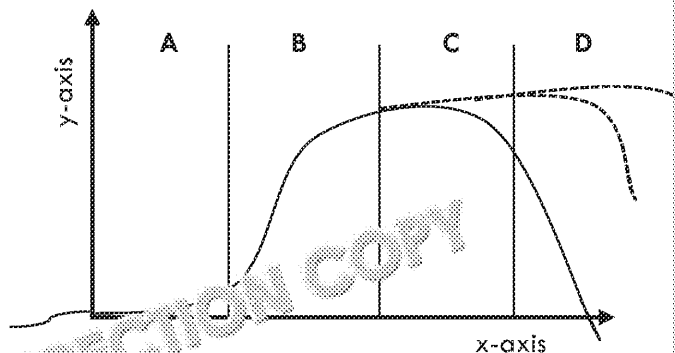
4. Which of the following product extension strategies do they use? Select **two** answers.

- A They only
- B They start product line
- C They start product line
- D They start product line
- E They move product line

5. What **two** advantages do they gain from product differentiation?

- A Massive price reduction
- B No choice of a brand
- C Customer loyalty
- D A higher price for your 'special' product
- E Confusion

Diagram 2 – Product life cycle



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2.2.2 – Price

- Which **one** of the following best defines 'price'? Select **one** answer.
 - A The amount of money a business pays HMRC
 - B The amount of money a business charges people for entering its premises
 - C The amount of money a business charges for selling its products or services
 - D The amount of money a business charges its customers to buy its products or services
- What is the purpose of a business's 'pricing strategy'? Select **one** answer.
 - A To establish the best selling price for product or service
 - B To establish the cost of its product or service
 - C To minimise business costs
 - D To minimise shop footfall
- Which **one** of the following is most likely to impact the saleability of a super yacht? Select **one** answer.
 - A Image
 - B Quality
 - C Price
 - D Storage
- If a product has a profit margin, which pricing strategy is the best? Select **one** answer.
 - A High price
 - B Low price
 - C Medium price
 - D Average price
- Which **one** of the following is most likely to impact a business's product quality? Select **one** answer.
 - A The level of customer feedback
 - B The level of customer demand
 - C The tolerance for product defects
 - D All of the above

2.2.3 – Promotion

- For what **two** reasons does a business advertise its products or services? Select **two** answers.
 - A To inform
 - B To persuade
 - C To amuse
 - D To provide employment
 - E To be charitable
- Which **two** of the following are **not** elements of a business's broader promotional mix? Select **two** answers.
 - A Advertising
 - B Shop-floor workers
 - C Celebrity endorsement
 - D Sales promotion
 - E Managers
- Businesses use a wide variety of promotional strategies to get customers to buy their products. Which **two** of the following are **not** included in these strategies? Select **two** answers.
 - A Advertising
 - B Sponsorship
 - C Branding
 - D Recruitment
 - E Motivation
- What **two** elements are most likely to impact a business's 'product placement' strategy? Select **two** answers.
 - A Fantasy scenarios
 - B Colour and graphics
 - C Well-known brands
 - D Widely used products
 - E Sound-effects
- Which **two** of the following are most likely to impact a business's ability to promote a product? Select **two** answers.
 - A A desktop computer
 - B Access to social media
 - C Analogue advertising
 - D A social media strategy
 - E A PayPal account

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2.2.4 – Place

1. In what **two** ways can the 'place' factor of the marketing mix be used to increase a business's sales? Select **two** answers.
- A By having a very big carbon footprint
 - B By having a more customer-friendly environment
 - C By being more geographically convenient for customers
 - D By being physically very small in size
 - E By being less convenient for e-commerce users
2. Which **two** of these does an e-tailer **not** specifically need to have? Select **two** answers.
- A Ownership of an electronic tablet
 - B Ownership of a personal computer
 - C Access to the Internet
 - D Access to the Internet
 - E Access to a supplier
3. Which **two** of the direct channel distribution methods are most likely to be used by a business? Select **two** answers.
- A Door-to-door
 - B Telemarketing
 - C Local retail outlets
 - D Internet sales
 - E Wholesale
4. What **two** functions are performed by a direct channel between producer and consumer? Select **two** answers.
- A The provision of information
 - B The cost of production
 - C The breaking down of large quantities into smaller quantities
 - D Insurance
 - E Basic marketing
5. Which **two** of the disadvantages to direct channel distribution are most likely to be experienced by a business? Select **two** answers.
- A Limited marketing methods
 - B Identity theft
 - C The offering of a wide range of products
 - D Excessive costs
 - E The availability of many different methods

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2.2.5 – Using the marketing mix to make business decision

1. Which **one** of the following is the best definition of the term 'integrated marketing mix'? Select **one** answer.
- A All elements of the marketing mix are independent and not reliant on each other
 - B All elements of the marketing mix are interdependent and reliant on each other
 - C All elements of the marketing mix are the same
 - D All elements of the marketing mix are unchangeable in value or impact
2. Which **one** of the following statements is most reasonable? Select **one** answer.
- A A product should not be offered for sale in a place that would cause offence
 - B A product should always be overpriced
 - C A product should always be of good quality
 - D A product sale should always be forcibly made
3. How might the 'price' element of the marketing mix be used to gain a business a competitive advantage over its rivals? Select **one** answer.
- A By realising that price can never gain a business competitive advantage
 - B By always being the highest price on offer
 - C By being pitched at a high amount as demanded by its target audience
 - D By being pitched at a low amount affordable to its target market
4. Which factor of the marketing mix is most likely to be changed by a business to gain a competitive advantage? Select **one** answer.
- A Product
 - B Place
 - C Promotion
 - D None of the above
5. How can a business gain a competitive advantage over its rivals by using the marketing mix? Select **one** answer.
- A By allowing a business to be the lowest priced product always relevant to its target audience
 - B By allowing a business to be the highest priced product always associated with its target audience
 - C By facilitating a business to be the most convenient product making a purchase
 - D By totally dominating the market

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2.3 – Making operational decisions

2.3.1 – Business operations

- To produce goods and provide services is the prime and basic function of which **one** of these? Select **one** answer.
 - A Society
 - B Environmentalists
 - C Business operations
 - D Government agencies
- What process does the following sequence represent: input, process, output and distribution? Select **one** answer.
 - A Production of goods as a whole business process
 - B Sale of goods as a whole business process
 - C Purchase of goods as a whole business process
 - D Consumption of goods as a whole business process
- Which **one** of the following best defines 'job production'? Select **one** answer.
 - A The production of a diverse group of non-commercial products
 - B The manufacture of identical batches of commercial products
 - C The mass production of identical units of commercial products
 - D The production of a one-off and unique bespoke product
- What type of production, more than any other, most likely puts a supplier's reputation directly on the line and under real close-up scrutiny because of the unique bespoke nature of the output? Select **one** answer.
 - A Batch production
 - B Job production
 - C Flow production
 - D Mass production
- In which **one** of the following does automation play a really important part? Select **one** answer.
 - A Job production
 - B One-off production
 - C Flow production
 - D Mass production
- Batch production would most likely be used to produce which of the following? Select **one** answer.
 - A A fixed quantity of identical units in the same production run
 - B An unlimited quantity of dissimilar units
 - C A unique and one-off object
 - D A very small unit in a series of different production runs
- Which **one** of the following is **not** a method used to control production? Select **one** answer.
 - A Always making use of the same method
 - B More than one method used to control production
 - C No one method is complete
 - D Sometimes a method is used
- Which **two** of the following are **not** business risks? Select **two** answers.
 - A Bad, intra-business competition
 - B Financial risk
 - C Non-financial risk
 - D Non-financial risk to workers
 - E Threat of takeover
- In what **two** negative ways is technology developing digital marketing? Select **two** answers.
 - A Significant increase in advertising costs
 - B Increase in advertising upskill all employees
 - C Demotivation of employees due to redundancy
 - D Create a barrier to entry for competitors
 - E Facilitate the entry of new competitors
- 'Technology impacts business' is a statement, which of the following are **not** always correct? Select **two** answers.
 - A Its advantages outweigh its disadvantages
 - B It should be used to increase productivity and increase sales
 - C It will always improve business efficiency
 - D Workers will be replaced by modern technology
 - E It might not be used to its full potential

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2.3.2 – Working with suppliers

- Which **one** of the following activities has the primary responsibility of making sure that the business always has sufficient stock to fulfil a customer order? Select **one** answer.
 - A Financial management
 - B Human resources management
 - C Stock management
 - D Marketing management
- With reference to a business's stock control management system, which **one** of the following is also known as 'bar gate stock control'? Select **one** answer.
 - A Just-in-time stock control
 - B Traditional stock control
 - C Maybe in case stock control
 - D Safety door stock control
- Which **one** of the following does JIT raw material stock control in a manufacturing business attempt to ensure? Select **one** answer.
 - A Sufficient stock is always available on the manufacturer's premises
 - B Stock is available only when needed for production and completion of an order
 - C Excessive stock is always held by the manufacturer
 - D The cheapest raw material stock is always procured by the manufacturer
- Which **one** of the following **cannot** be regarded as business stock? Select **one** answer.
 - A Creditors
 - B Work in progress
 - C Finished goods
 - D Raw materials
- What does stock procurement involve for a business? Select **one** answer.
 - A Stock that is part of work in progress
 - B Changing raw materials into finished stock
 - C Holding stock for sale to customers
 - D Buying in stock to sell to customers
- Which **one** of the following is the best definition of the term 'stock'? Select **one** answer.
 - A Buying stock
 - B Selling products
 - C Planning, organising and controlling the movement of stock
 - D Planning, organising and controlling stock-holding

Study Diagram 3, below, and answer questions 7 and 8.

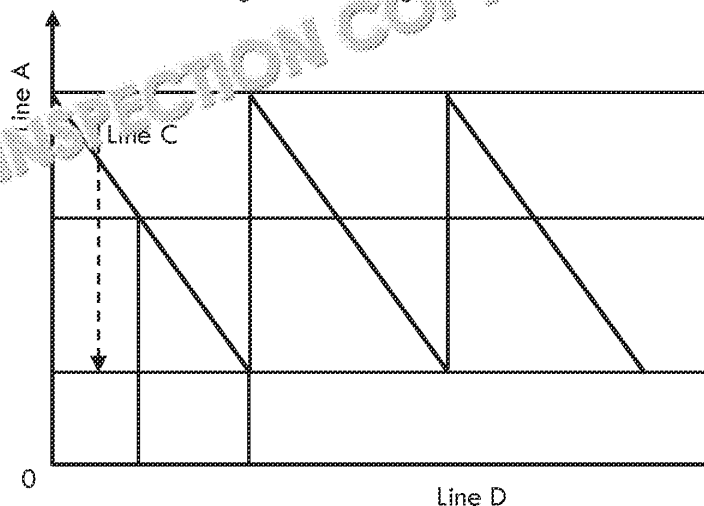
- In the bar gate stock control chart, what do line A and line B represent? Select **two** answers.
 - A Line A – Reorder level
 - B Line B – Maximum stock level
 - C Line A – Upper limit
 - D Line B – Reorder level
 - E Line A – Lower limit

- In the bar gate stock control chart, what do line C and line D represent? Select **two** answers.
 - A Line C – Reorder level
 - B Line D – Maximum stock level
 - C Line C – Upper limit
 - D Line D – Lower limit
 - E Line C – Lower limit

- Which **two** of the following are consequences of a business entity and its stock control system? Select **two** answers.
 - A Ideal environment for stock control
 - B Low-quality stock
 - C Reliability
 - D Irregular stock
 - E Good working conditions

- The reputation of a business can be damaged by which of the following? Select **two** answers.
 - A Its chosen suppliers
 - B The occasional stock shortage
 - C Occasional stock shortages
 - D Bad logistics
 - E Bad suppliers

Diagram 3 – Bar gate stock control chart



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2.3.3 – Managing quality

- What intangible aspect of a product or service can be measured by the extent to which its users' expectations are met? Select **one** answer.
 - A Quality
 - B Quantity
 - C Price
 - D None of these
- What does the process of standard quality control involve? Select **one** answer.
 - A A one-off, end-of-production-run, random sample check
 - B A systematic, ongoing process of checks and balances
 - C Computer-only checking of output
 - D Manual-only checking of output
- What does quality assurance involve? Select **one** answer.
 - A Defective products are covered by the business's insurance
 - B Certification of the output's quantity sold to the consumer
 - C A certifiable, systematic, ongoing process of checks and balances to deliver a defect-free output
 - D Consumer testing the product before buying it
- How might poor quality hinder a business?
 - A Cause loss
 - B Leave the business unable to exploit the market
 - C Destroy the business
 - D In all the above ways
- What is the main reason for using quality control in manufacturing business? Select **one** answer.
 - A Fear of failure
 - B Cost in business
 - C Consistency
 - D Fear of the competition

2.3.4 – The sales process

- Which **one** of the following best relates to the sales process? Select **one** answer.
 - A Product knowledge is unnecessary
 - B Never includes a follow-up
 - C One-off event
 - D System of logical incremental steps
- Which **one** of the following is a key that a business can use to keep its customers satisfied? Select **one** answer.
 - A Not having a sales return policy
 - B Not acknowledging the primacy of the customer
 - C Always providing additional after service
 - D Always discounting on customer complaints
- Which **two** of the following are stages in the sales process that every salesperson should follow? Select **two** answers.
 - A Positive engagement with the customer
 - B Condescending approach to the customer
 - C Being over-negative about competitors' products
 - D Ignoring the customer after purchase
 - E Good knowledge about the product being sold
- For which **two** reasons is customer engagement with a business an essential part of the sales process? Select **two** answers.
 - A To ensure customer loyalty by them
 - B To encourage repeat purchases
 - C To show the customer the value of the business
 - D To annoy the customer
 - E To outsmart the customer's sales team
- Which **two** of the following are service techniques? Select **two** answers.
 - A Open an account in a new department
 - B Offer discounts
 - C Offer a warranty
 - D Sell customer products to other customers to increase their purchases
 - E Encourage repeat purchases

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2.4 – Making financial decisions

2.4.1 – Business calculations

- Which **one** of the following best defines a business profit? Select **one** answer.
 - A Excess of sales revenue over costs
 - B Excess of costs over sales revenue
 - C When sales revenue and costs are equal
 - D When a lot of sales are made
- What does the formula 'sales revenue less cost of sales' calculate? Select **one** answer.
 - A Net profit
 - B Gross profit
 - C Turnover
 - D Total expenses

Study Table 2, below, and then answer questions 3 to 6.

- What is the gross profit for Year 2? Select **one** answer.
 - A £30,000
 - B £40,000
 - C £50,000
 - D £70,000
- What is the net profit for Year 1? Select **one** answer.
 - A £20,000
 - B £30,000
 - C £10,000
 - D £0
- What is the gross profit margin for Year 2? Select **one** answer.
 - A £41.67
 - B 41.67%
 - C 40%
 - D £40
- What is the net profit margin for Year 2? Select **one** answer.
 - A 16.67%
 - B £16.67
 - C 30%
 - D £30

- If a business calculates a profit margin of 44.44%, what does this mean? Select **one** answer.
 - A For every £44.44 worth of sales, the business makes a profit of £44.44
 - B For every £44.44 worth of sales, the business makes a profit of £100
 - C For every £100 worth of sales, the business makes a profit of £44.44
 - D For every £44.44 worth of sales, the business makes a profit of £100

- What does the 'average rate of return' measure? Select **one** answer.
 - A The total return on an investment
 - B The total return on an investment as a percentage of the initial investment
 - C The percentage of sales that a business gets on a market
 - D The percentage of sales that a business gets on a market

Study Table 3, below, and then answer questions 9 and 10.

- What is Year 0's initial cost outlay? Select **one** answer.
 - A £12,500
 - B £90,000
 - C £150,000
 - D £240,000
- Consider 'Choice A' from Table 3. Then, using the 'average rate of return' criteria, select the most acceptable investment choice. Select **one** answer.
 - A Choice A
 - B Choice B
 - C Choice C
 - D Choice D

Table 2 – Income, sales, and expenses

	Year 1	Year 2
Sales revenue	£100,000	£120,000
Cost of sales	£60,000	£70,000
Running expenses	£10,000	£30,000

Table 3 – Possible investment choices

Investments	Choice A	Choice B	Choice C
Yr. 0 initial cost outlay	£12,500	£90,000	£150,000
Yr. 1 profit from	£50,000	£100,000	£120,000
Yr. 2 profit from	£40,000	£110,000	£130,000
Yr. 3 profit from	£30,000	£120,000	£140,000
Yr. 4 profit from	£20,000	£130,000	£150,000
Yr. 5 profit from	£10,000	£140,000	£160,000
Average rate of return	12.5%	12%	18%

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2.4.2 – Understanding business performance

- Which **one** of the following applies to quantitative business data? Select **one** answer.
 - A It cannot be used in market research
 - B It is totally subjective data
 - C It can be counted, verified and statistically manipulated
 - D It cannot be statistically manipulated
- Which **one** of the following is a drawback for a business of undertaking the gathering of quantitative data? Select **one** answer.
 - A It cannot be presented using MS Office software
 - B It will not help with a business's decision-making process
 - C It is a relatively expensive data collection method
 - D It presents only limited-use data that lacks depth and options
- Which **two** of the following software packages are usually used to generate graphs, charts and financial statistics when making a business presentation to a knowledgeable audience? Select **two** answers.
 - A Microsoft Word
 - B Microsoft Excel
 - C Microsoft PowerPoint
 - D Microsoft Access
 - E Microsoft Draw, using Word
- From the list below, which **two** are **not** financial data types? Select **two** answers.
 - A Company directors
 - B Stakeholders
 - C Trading account
 - D Break-even chart
 - E Cash flow forecast
- Two of the following statements are incorrect. Which **two** are they? Select **two** answers.
 - A Market research can provide business with useful data and information
 - B Market research can provide business with quantitative information
 - C Market research can provide business with qualitative information
 - D Market research does not provide business with useful information
 - E Existing research data is always correct, up-to-date and reliable
- Which of the following are **not** primary research? Select **two** answers.
 - A Primary research
 - B Primary research data
 - C Secondary research
 - D Secondary research
 - E Secondary research from print
- Which **two** of the following are **not** market research objectives? Select **two** answers.
 - A It cannot be used in market research
 - B It cannot be used in decision-making
 - C It can be used in decision-making
 - D It can be used in market research projects
 - E It is only used in market research
- A market can be segmented. Which **two** of the following are **not** segmentation elements?
 - A Age
 - B Female
 - C Disposable income
 - D Income tax
 - E Male
- Which **two** of the following are **not** a business's financial statements? Select **two** answers.
 - A Customer list
 - B Environment
 - C Net profit
 - D Rate of loss
 - E Net profit
- For what **two** reasons does a business have access to market research data?
 - A To make it more competitive
 - B To enable it to keep up with contemporary market trends
 - C To give it a competitive edge
 - D To impress investors
 - E To keep it profitable

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2.5 – Making human resource

2.5.1 – Organisational structures

- Which **one** of the following is most likely **not** to have a tall hierarchical structure? Select **one** answer.
 - A Sole trader business
 - B Small-to-medium-sized light engineering private company
 - C Nationwide accountancy partnership
 - D Large public limited company
- Which **one** of the following might be considered as an advantage of a flat-structure organisation? Select **one** answer.
 - A Offers a wide range of quick promotion
 - B Employees know who their managers are
 - C Employees feel as if they are very small cogs in a very big wheel
 - D Relatively quick decision-making process
- For which **one** of the following would a flat structure be most appropriate? Select **one** answer.
 - A The NHS
 - B Very small family hill farm
 - C The military
 - D Nationwide logistics firm
- Which **one** of the following is an advantage of centralised management structure formats? Select **one** answer.
 - A Inconsistency in positive image presentation to the public
 - B Slow reaction to market change
 - C Inconsistent company-wide aims and objectives
 - D Consistency of management information dispersal from a central head office
- Which **one** of the following is least likely to have communications problems? Select **one** answer.
 - A Large decentralised organisation
 - B Flat-structured organisation
 - C Multinational corporation
 - D Tall hierarchically structured organisation
- Which **one** of the following is most likely to have communications problems? Select **one** answer.
 - A It is very easy to communicate
 - B It is very difficult to communicate
 - C It is most likely to use the 'grapevine' technique
 - D It is most likely to communicate information
- Which **one** of the following is most likely to be a 'grapevine' message within a business?
 - A It will never be used
 - B It is similar to the 'Chinese wall'
 - C It is an informal communication system
 - D It is a very formal communication system
- An internal disconnection is a communication system which **one** of the following is true?
 - A Totally independent systems
 - B The provision of communication systems
 - C The provision of communication systems
 - D None of the above
- Of what are 'zero-hour contracts' an example? Select **one** answer.
 - A Non-work
 - B Full-time work
 - C Fixed hours
 - D Flexible work
- Which **one** of the following is most likely to be a 'remote working' method?
 - A Zoom network
 - B Road network
 - C Webinar
 - D Telecommunication

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2.5.2 – Effective recruitment

- Which **one** of these is the main distinguishing factor between 'working from home' and 'remote working'? Select **one** answer.
 - A Geographic location
 - B Type of work
 - C Hours of work
 - D Time of work
- Which **one** of the following job roles has arguably the most say in the future goals-driven direction of a business? Select **one** answer.
 - A Department managers
 - B Support staff
 - C Shop-floor employees
 - D Company directors
- What is the purpose of a 'person specification'? Select **one** answer.
 - A To check the identity of the job applicant
 - B To select the best type of person for a specific job
 - C To set out what the job entails
 - D To get the academic qualifications of the applicant
- In the context of job recruitment, what is a 'person specification'? Select **one** answer.
 - A Current vs. future needs
 - B Corporate vs. individual needs
 - C Curriculum vs. individual needs
 - D Curriculum vs. corporate needs
- Which **one** of the following is not a part of the recruitment and selection process? Select **one** answer.
 - A The process of identifying the business's needs
 - B The process of advertising the job
 - C The best person for the job
 - D The potential of the business

2.5.3 – Effective training and development

- What is 'on-the-job training' also known as? Select **one** answer.
 - A Formal training
 - B Informal training
 - C University training
 - D Off-the-job training
- How might the provision of well-structured training schemes for employees impact a business? Select **one** answer.
 - A Increase its overall productivity
 - B Increase its long-term profits
 - C Reduce its rate of staff turnover
 - D In all the above ways
- Which **one** of the following would **not** lead to business prosperity? Select **one** answer.
 - A Effective staff training
 - B Inspirational and motivation schemes
 - C Encouraging decision-making
 - D Inappropriate management style
- What might be the result of a training scheme that trains and develops staff to a high standard? Select **one** answer.
 - A Competitive advantage
 - B Competitive disadvantage
 - C Stressful work environment
 - D Creates a high staff profile
- Resistance to the change of a workplace is most likely to come from **one** of these stakeholders. Select **one** answer.
 - A Suppliers
 - B Customers
 - C Senior management
 - D Trade unions

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2.5.4 – Motivation

1. What are **two** likely impacts on a business from having a poorly motivated workforce? Select **two** answers.
- A Increase in competitiveness
 - B Increase in long-term profits
 - C Consistently high rate of employee productivity
 - D Consistently high rate of staff turnover
 - E Consistently high level of staff absenteeism
2. Which of the following are the **two** most likely reasons why a business might offer its employees monetary incentives and perks such as flexible working arrangements? Select **two** answers.
- A To motivate them so they increase their productivity
 - B To attract competitors
 - C To improve their public image
 - D To retain their loyalty in a competitive labour market
 - E To make them less competitive
3. Which **two** of the following are **not** financial incentives? Select **two** answers.
- A Job enrichment
 - B Job rotation
 - C Bonus
 - D Commission
 - E Remuneration
4. Which **two** of the following are **not** financial incentives? Select **two** answers.
- A Autonomy
 - B Job enrichment
 - C Bonus
 - D Commission
 - E Job rotation
5. In reality, which **two** of the following are the most effective methods of motivating staff up to a seasonal peak? Select **two** answers.
- A Job rotation
 - B Remuneration
 - C Bonus
 - D Advanced payment
 - E Job enrichment

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Preview of Answers Ends Here

This is a limited inspection copy. Sample of answers ends here to stop students looking up answers to their assessments. See contents page for details of the rest of the resource.