



Business

GCSE (9–1) | Edexcel | 1BS0



Topic Tests for GCSE (9–1) Edexcel Business

Theme 1: Investigating Small Business

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Teacher's Introduction

This resource has been produced to support teaching and learning of Edexcel Business (1BS0/01 specification) **Theme 1: Investigating small business**. It is made up of a variety of end-of-topic test *time-restricted* questions, with suggested answers and a marking scheme. Each topic test will cover the same level of skills and depth of knowledge as the most difficult and longest questions in an actual GCSE examination. This resource also provides a suggested answer structure and examination tips, and highlights common errors made by students.

Remember!

Always check the exam board website for new information, including changes to the specification and sample assessment material.

Each test will:

- Reduce your workload as a teacher with on-hand topic tests and answers accompanied by suggested answer outlines
- Allow you as a teacher to diagnose students' knowledge, strengths and weaknesses after a specification topic has been taught
- Help students develop good examination technique as it uses exam-style command words that will be used in the actual examination
- Encourage students to develop structured answers to meet the assessment objectives examined as it allocates marks appropriate to the assessment objective
- Indicate how and why marks are awarded at each level of the higher-level questions
- Raise students' awareness of the examination's 'limited time' aspect

This resource can be used as:

- A very useful student revision guide as all topics in the specification are addressed
- A formal class test of 40–60 minutes duration
- A homework for students
- An examination revision guide for students
- A basis for an interactive teacher–student class review of a specification topic and how to approach answering an examination question on it in a structured way

The Exam Question Guidance section focuses on **eight** specific areas:

- Assessment objective – what it means
- Assessment objective – level of skill demanded
- Command word – meaning / AO level / total mark awarded
- Command word – suggested outline for a structured answer response
- How each examination topic test question is structured
- Attainment levels for higher-level skill questions (Section B)
- Structure for answers – with feedback sheet
- 'Levels' table for marking Section B questions in a topic test

August 2023

Exam Question Guidance

Assessment objectives

An assessment objective (AO) is a target that the examiner expects the candidate to achieve in terms of the content and quality of their answer:

AO1a Knowledge	Simply know the answer to the correct answer in a multiple-choice question.
AO1b Understanding	Show your business knowledge in the understanding of a specific business problem. Bring in the relevant business concepts into your answer, say, 'the business is facing a problem with its sales'.
AO2a Apply	Use the business case study context in your answer; that is, make reference to the case study stimulus material or the question being asked.
AO3a Analyse	Consider both possible outcomes of a point you make; that is, benefits/drawbacks, advantages/disadvantages, etc., emphasising the most important.
AO4b Evaluate	Come to a justified conclusion/judgement based on your analysis of the circumstances on which it depends and what is most important.

The increasing skill level required to satisfy each assessment objective:

AO1	AO2
a. Knowledge b. Understanding	a. Apply
Low level skill	

The command word indicates the assessment objective level that is being examined:

AO1	AO2	
Which one ... (1 mark)	Identify... (1 mark)	Discriminate
Which two ... (2 marks)	State one ... (1 mark)	Answer
Give one ... (1 mark)	Calculate... (2 marks)	Justify
Explain one ... (3 marks)	Outline one ... (2 marks)	Evaluate
	Complete two ... (2 marks)	

AO1 level command word – suggested outline for a structured answer response:

Which one ... (1 mark)	AO1a (1)	Multiple-choice question. Simply select the correct answer.
Which two ... (2 marks)	AO1a (2)	Multiple-choice question. Simply select the correct answers.
Give one ... (1 mark)	AO1a (1)	One word, or a very short, direct sentence.
Explain one ... (3 marks)	AO1a (1) AO1b (2)	Three sentences should suffice.

AO2 level command word – suggested outline for a structured answer response:

Identify... (1 mark)	AO2a (1)	Indicate the correct answer in a short, written answer.
State one ... (1 mark)	AO2a (1)	Use one or two words, or a short sentence.
Calculate... (2 marks)	AO2a (2)	Correctly calculate and identify the answer.
Outline one ... (2 marks)	AO2a (2)	Two linked sentences will suffice.
Complete... (2 marks)	AO2a (2)	Correctly fill in all missing data required.

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AO3 level command word – suggested outline for a structured answer response:

Discuss... (6 marks)	AO1b (3) AO3a (3)	<ul style="list-style-type: none"> Make at least two points. Each point developed pro/con aspect to it. No justification is necessary.
Analyse... (6 marks)	AO2a (3) AO3a (3)	<ul style="list-style-type: none"> Make at least two points. Each point developed pro/con aspect to it. No justification is necessary.
Justify... [choose one option] (9 marks)	AO2a (3) AO3b (3)	<ul style="list-style-type: none"> Only one option need be considered. At least two well-developed options be given. A justified final recommendation.
Evaluate... (12 marks)	AO1b (3) AO2a (3) AO3a (3) AO3b (3)	<ul style="list-style-type: none"> Make at least two points. Each point developed pro/con aspect to it. A well-developed and fully justified conclusion. You must state what your conclusion is. You should say what you think is likely to happen.

Note 1: With AO3 level questions *always* reference the case study at least four times.

Note 2: With AO3 level questions be very careful and make sure you **read the question** carefully. *Always* ensure that you **structure your answer correctly so as to answer the question**.

How each examination topic test question is structured

Section A

- Multiple-choice questions requiring an answer to the command word 'Which'.
- Short-answer questions requiring an answer to command words such as 'Give', 'Calculate', 'Discuss' and 'Explain'.

Section B

- Case study questions.
- Long-answer questions requiring an answer to command words such as 'Discuss' and 'Evaluate'.

Attainment levels for higher-level skill questions (Section B)

*Note: in order to get top marks in a higher-level skill question you must include **FOUR** analysis in a logical reasoning chain (AO3a) and at least **FOUR** application references in your answer. These connectives can be demonstrated by using a word/phrase such as 'lead to', 'therefore', 'in addition to' or 'moreover', and 'consequently' or 'as a result'.*

A justify or evaluate question always requires a justified final conclusion, e.g. 'my conclusion is that...', 'consequently this will', 'however, this depends on' or 'what is really important is'.

I suggest underlining each connective word/phrase in your answer to highlight it.

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Tips for answering a question

- Read the question thoroughly and highlight its command word and any specific information.
- Carefully read the case study stimulus material and highlight business terms it contains.
- Carefully read the question to get a clear understanding of what it is asking for. Answer the question as asked, be specific and do not waffle.
- Mentally (think about) and/or physically (make bullet points on a spare sheet) refer to the question's command word, assessment objective(s) and the relevant information.
- Always answer the question using appropriate business vocabulary.
- Always apply your business knowledge by giving a relevant contextual example from the stimulus material in the stimulus case study scenario.
- If the question requires a calculation to be made, you must show all your working out clearly and distinctly.
- Preferably use black ink to write your answer. Dark blue ink would suffice, but not green ink to write your answer.
- If required to draw a diagram, graph or chart, use a straight edge then carefully label constituent parts in black or dark blue ink. A rough outline should be first produced.
- Do not write or doodle in the margins of your answer page.
- Your handwriting and answer presentation must be clear, logical and legible. The examiner must be able to read and understand. You will do yourself no good if you spend 'extra' time trying to decipher your answer.
- Memorise all mathematical formulae required by the examination specification.
- Avoid any repetition in your answer, including not repeating the question itself.

Common mistakes made when answering a question

- An incorrectly structured answer that does not completely correspond to the assessment objective(s) being assessed.
- Writing too much for a short-answer question worth 1–3 marks.
- Writing too little for a long-answer question worth 6–12 marks.
- Not applying the question to the question or the case study stimulus material.
- Not knowing the formulae needed for calculation questions.
- Not completing the entire question in the allotted time.
- Not reading the question properly, and consequently answering a question that is not the one that has actually been asked.
- Not writing in clear, properly constructed, linked sentences to form a meaningful answer.
- Not having a clear break between one paragraph and another.

Important note on suggested answers

Please note that there may be correct answers other than those provided. Consequently, the teacher/examiner to decide whether any alternative answers given are worthy of marks.

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Answer structure

Command word	Answer structure
Which one ... (1 mark)	<i>AO1a Demonstrate knowledge.</i> Multiple-choice question. Simply select the correct option.
Give one ... (1 mark)	<i>AO1a Demonstrate knowledge.</i> One word, or a very short, direct sentence.
Identify... (1 mark)	<i>AO2a Show an application of knowledge and understanding.</i> Correctly identify, in context, what the question asks. Include a written answer of, say, one sentence.
State one ... (1 mark)	<i>AO2a Show an application of knowledge and understanding.</i> Correctly state what the question asks with one or two words or a short sentence.
Which two ... (2 marks)	<i>AO1a Demonstrate knowledge.</i> Multiple-choice question. Simply select the two correct options.
Calculate... (2 marks)	<i>AO2a Show an application of knowledge and understanding.</i> Correctly calculate the answer and show all your working to reach the final answer.
Outline one ... (2 marks)	<i>AO2a Show an application of knowledge and understanding.</i> Make <u>one</u> appropriate point and then show contextual detail by making <u>one</u> additional correct relevant point, directly in sentences in all. Points made format: <ul style="list-style-type: none"> • Make one correct relevant point. Then, • Make another relevant point: <i>because / for example / consequently / therefore.</i>
Complete two ... (2 marks)	<i>AO2a Show an application of knowledge and understanding.</i> Correctly fill in all missing data/words/phrases/figures required.
Explain one ... (3 marks)	<i>AO1a Demonstrate knowledge by clearly making one point.</i> <i>AO1b Show understanding by developing at least two links.</i> One appropriate point with two developed interconnected links: example/outcome <u>and</u> consequence. Three sentences should be used. Points made format: <i>(Correct appropriate point – for example / this will / therefore / consequently)</i>

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Command word	Answer structure
<p>Discuss... (6 marks)</p>	<p><i>AO1b Show understanding by developing at least two points</i> <i>AO3a Fully analyse each point made for up to 3 marks.</i></p> <p>Discuss the impact would allow for at least two developed points giving a pro (positive) and con (negative) aspect. Discuss advantages, would allow only pro (positive) points to be supported by a linked outcome. Then a linked consequence.</p> <p>You must have at least two logically linked strands in your direct reference to the case study (ideally giving context for each point). 3 marks. No conclusion, final judgement or justification. 3 marks/phrases must be used.</p> <p>Each point should follow the following format: say why you think it will be and the possible consequence of that outcome.</p> <p>Points made format: Discuss the impact:</p> <ul style="list-style-type: none"> • Make a positive point. <i>One impact might be... for example</i> <ul style="list-style-type: none"> ○ Discuss a positive outcome. <i>as a result / this will lead to</i> ○ Discuss a positive consequence. <i>consequently/therefore</i> • Make a negative point. <i>However, another impact might be</i> <ul style="list-style-type: none"> ○ Discuss a negative outcome. <i>as a result / this will lead to</i> ○ Discuss a negative consequence. <i>consequently/therefore</i> <p><i>[Repeat this format for all points you make.]</i></p> <p>Discuss a specific requirement of the advantages:</p> <ul style="list-style-type: none"> • Make a point. <i>One advantage might be... for example</i> <ul style="list-style-type: none"> ○ Discuss a positive outcome of that advantage. <i>because of this</i> ○ Discuss a positive consequence of that advantage. • Make another point. <i>Another advantage might be...</i> <ul style="list-style-type: none"> ○ Discuss a positive outcome of that advantage. <i>because of this</i> ○ Discuss a positive consequence of that advantage. <p><i>[Repeat this format for all the advantages you give.]</i></p>

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Command word	Answer structure
<p>Analyse... (6 marks)</p>	<p><i>AO2a Show application of knowledge and understanding to 3 marks.</i> <i>AO3a Fully analyse each point made for up to 3 marks.</i></p> <p>Make at least two points. Each point needs to have a well con (negative) aspect to it. Each point should follow the format: what you are making it, what its likely outcome will be and the possible outcome. You must have at least five logically linked strands. At least four direct references to the case study (ideally giving contextual relevant examples) in order to gain full marks. Connective words/ phrases for discussion, final judgement or justification is necessary.</p> <p>Points made format:</p> <ul style="list-style-type: none"> • Make a point. <ul style="list-style-type: none"> ○ Discuss a positive outcome of the point. <i>as a result of this</i> ○ Discuss a positive consequence of that outcome. Then • Discuss a negative consequence of that outcome. <i>however/ consequence</i> <p><i>[Repeat this format for all points you make.]</i></p>
<p>Justify... (9 marks)</p>	<p><i>AO2a Show application of knowledge and understanding to 3 marks.</i> <i>AO3a Fully analyse each point using a linked and logically linked up to 3 marks.</i> <i>AO3b Give a specific justified judgement based on the evidence up to 3 marks.</i></p> <p>Clearly choose one option from the two given. Then each point needs to be a well-developed pro (positive) and con (negative) and follow the following format: say why you are making it, what its likely outcome will be and the possible consequence of that outcome. You must have at least five logically linked strands in your answer, as well as at least four direct references to the case study (ideally giving contextual relevant examples) in order to gain full marks. Final developed justification for your choice is essential. Connective words/ phrases for discussion, final judgement or justification can be used.</p> <p>Points made format:</p> <ul style="list-style-type: none"> • Clearly make your choice. <i>I think that option [x] is the best choice because...</i> <ul style="list-style-type: none"> ○ Give a positive reason. <i>because / for example</i> ○ Give a positive consequence. <i>as a result / this will lead to</i> ○ Give a negative consequence. <i>however/ consequence</i> ○ Give a second positive reason. <i>because / for example</i> ○ Give a second positive consequence. <i>as a result / this will lead to</i> ○ Give a second negative consequence. <i>however/ consequence</i> and • Re-enforce why you made the choice. <ul style="list-style-type: none"> ○ <i>Therefore, [your chosen option] to be the right choice because... and therefore...</i> <p><i>[Link your positive points together and maybe give a final judgement and consequence.]</i></p> <ul style="list-style-type: none"> ○ <i>However, all this depends on...</i>

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Command word	Answer structure
Evaluate... (12 marks)	<p>AO1b Show understanding by developing at least two points</p> <p>AO2a Show an application of knowledge and understanding up to 3 marks.</p> <p>AO3a Fully analyse each point using a linked and logically linked structure up to 3 marks.</p> <p>AO3b Make a specific justified final judgement based on the points for up to 3 marks.</p> <p>Make at least 5 points. Each point must have a well-developed positive aspect to it. Each point should follow the following structure: what it is, what its likely outcome will be and the possible consequences. You must have at least five logically linked strands in your answer. You must have direct references to the case study (ideally giving context) to gain full marks. A justified structured conclusion must be used. Words/phrases must be used.</p> <p>Points made format:</p> <ul style="list-style-type: none"> • Make an appropriate point. <ul style="list-style-type: none"> ○ Give a positive aspect to it. <i>for example / because</i> ○ Give a positive consequence of it. <i>consequently</i> ○ Give a negative aspect to it. <i>for example / because</i> ○ Give a negative consequence of it. <i>consequently</i> • Then make a justified final conclusion: <ul style="list-style-type: none"> ○ <i>In conclusion I would recommend</i> (make your point) ○ <i>Because</i> (give context and reasons [referencing the previous points]). ○ <i>However, this depends on</i> (give contextual reasons) ○ <i>What really matters is</i> (what you believe is best study [give reason]).

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Level marking

This 'levels table' must be referenced when marking Section B questions in a topic test.

Discuss and analyse (6 marks)

Note 1: 'Discuss the **impact**' would allow for at least **two** developed pro and con points. 'Discuss (**specific requirement**, e.g. advantages)' would allow only pro points.

Note 2: 'Analyse' requires at least **two** relevant points to be made. A developed point for each point given).

Note 3: Neither 'Discuss' nor 'Analyse' requires a final conclusion/judgement to be made.

Level	Mark	Guidance
Level 3	4-6	<ul style="list-style-type: none"> • There are at least two well-developed points made. • There are at least four application references (AO2a) linked strands (AO3a). • An excellent knowledge and understanding of business demonstrated throughout. • There is an excellent use of correct business terminology. • There is an excellent linked and logically flowing answer. • The question is fully addressed and the answer is very well structured.
Level 2	3-4	<ul style="list-style-type: none"> • There are at least two points made. • A good knowledge and understanding of business concepts demonstrated throughout. • There is some use of correct and appropriate business terminology. • There is reasonably good linked and logically flowing answer. • The question is mostly addressed and the answer is well structured.
Level 1	1-2	<ul style="list-style-type: none"> • Only one point made. • A limited knowledge and understanding of business concepts demonstrated throughout. • There is very little use of correct and appropriate business terminology. • There is very limited connecting flow between issues. • The question is very poorly addressed and the answer is poorly structured.
Level 0	0	<p>No answer is given. Nothing in the answer deserves a positive mark.</p>

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Justify (9 marks)

(One from two given options)

- **Either:** Choose one option and develop it with one pro and one con aspect.
- **Or:** Develop one pro and one con aspect for both options.

Then consider:

Level	Mark	Guidance
Level 3	7–9	<ul style="list-style-type: none">• There are at least two application references (AO2a and AO3a), linked together (AO3a).• Excellent knowledge and understanding of business concepts demonstrated throughout.• There is excellent use of correct business terminology.• There is an excellent linked and logically flowing analysis.• An excellent and fully justified final judgement is clearly stated.• The question is fully addressed and the answer is very relevant.
Level 2	4–6	<ul style="list-style-type: none">• There are at least two points made.• A good knowledge and understanding of business concepts demonstrated throughout.• There is reasonable use of correct business terminology.• There is a good linked and logically flowing analysis.• A final judgement is made but weakly supported.• The question is well addressed and the answer is relevant.
Level 1	1–3	<ul style="list-style-type: none">• Only one point made.• A limited knowledge and understanding of business concepts is demonstrated.• There is infrequent use of correct business terminology.• There is a fairly good linked and logically flowing analysis.• There is a simplistic and unsupported attempt at a final judgement.• The question is poorly addressed and the answer is only partially relevant.
Level 0		Nothing in the answer deserves a positive mark.

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Evaluate (12 marks)

Level	Mark	Guidance
Level 3	9–12	<ul style="list-style-type: none"> • There are at least two points made. • There are at least four application references (AO2a) linked strands (AO3a). • An excellent knowledge and understanding of business demonstrated throughout. • There is excellent use of correct business terminology. • There is an excellent linked and logically flowing analysis of positive and negative implications. <p>An excellent and fully justified final judgement is clear with factors on which it depends.</p> <ul style="list-style-type: none"> • The question is fully addressed and the answer is relevant.
Level 2	5–8	<ul style="list-style-type: none"> • There are at least two points made. • A good knowledge and understanding of business concepts demonstrated throughout. • There is reasonable use of correct business terminology. • There is a good linked and logically flowing analysis of positive and negative implications. • A good final judgement is made but weakly supported. • The question is well addressed and the answer is relevant.
Level 1	1–3	<ul style="list-style-type: none"> • Only one point made. • A limited knowledge and understanding of business concepts demonstrated. • There is infrequent use of correct business terminology. • There is a weak attempt at a linked and logically flowing analysis made giving consideration to only positive or negative implications. • There is a very over-simplistic and unsupported attempt at a final judgement. <p>The question is poorly addressed and the answer is irrelevant.</p>
Level 0		<p>No answer is given.</p> <p>Nothing in the answer deserves a positive mark.</p>

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Test 1 – 1.1.1: The dynamic nature of business & 1.1

Section A

- Which **one** of the following is most true about UK business activity? Select **one** answer.
 A It is interdependent in nature
 B It is independent in nature
 C It is totally reliant on e-commerce
 D It is totally reliant on cash payments in a cashless society
- Which **one** of the following is the main force behind the UK's dynamic business environment? Select **one** answer.
 A Greed
 B Envy
 C Change
 D Greed
- Which **one** of the following is true about the origin of new business ideas? Select **one** answer.
 A They can never come from the adaptation of existing products
 B They only originate from educationally intellectual people
 C They only come from existing products
 D They can come from anywhere
- Which **two** of the following **cannot** be considered business risks? Select **two** answers.
 A Loss of reputation
 B Making a profit
 C Financial loss
 D Possibility of cyberattack
 E Lack of government support
- Which **two** of the following can be considered as rewards for starting a business? Select **two** answers.
 A Independence
 B Stress
 C Goal achievement
 D Risk
 E Financial loss
- Which **two** of the following are reasons why businesses exist in the UK? Select **two** answers.
 A To finance political parties
 B To ensure all citizens have jobs
 C To create UK millionaires
 D To produce goods and services
 E To meet customers' needs and wants

- Explain **one** disadvantage to a small business of 'adding value' to its products.

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8. Explain **one** role of an entrepreneur.

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9. Explain **one** reason why a person might want to become an entrepreneur.

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10. Outline **one** method a small local business might use to 'add value' to its products.

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11. Outline the difference between the term 'entrepreneur' and the term 'enterprise'.

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12. Discuss the disadvantages of becoming an entrepreneur.

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Test 1 – 1.1.1: The dynamic nature of business & 1.1

Section A

- Which **one** of the following is most true about UK business activity? Select **one** answer.
 - It is interdependent in nature
 - It is independent in nature
 - It is totally reliant on ecommerce
 - It is totally reliant on developing it into a cashless society
- Which **one** of the following is the main force behind the UK's dynamic business environment? Select **one** answer.
 - Laziness
 - Envy
 - Change
 - Greed
- Which **one** of the following is true about the origin of new business ideas? Select **one** answer.
 - They can never come from the adaptation of existing products
 - They only originate from educationally intellectual people
 - They only come from existing products
 - They can come from anywhere
- Which **two** of the following **cannot** be considered business risks? Select **two** answers.
 - Loss of reputation
 - Making a profit
 - Financial loss
 - Possibility of cyberattacks
 - Lack of government support
- Which **two** of the following can be considered barriers for starting a business? Select **two** answers.
 - Independence
 - Stress
 - Goal setting
 - Risk
 - Financial loss
- Which **two** of the following are reasons why businesses exist in the UK? Select **two** answers.
 - To finance political parties
 - To ensure all citizens have jobs
 - To create UK millionaires
 - To produce goods and services
 - To meet customers' needs
- Explain **one** disadvantage to a small business of 'adding value' to its products.
- Explain **one** role of an entrepreneur.
- Explain **one** reason why a person might want to become an entrepreneur.
- Outline **one** method a small local business might use to 'add value' to its products.
- Outline the difference between the term 'entrepreneur' and the term 'enterprising'.
- Discuss the disadvantages of being an entrepreneur.

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Case study: Shopping around

Ellen and Seán recently took early retirement from their many years of full-time work. They received very substantial one-off payments and generous pensions for both. These outflows were offset by their substantial personal savings.

However, they were not yet ready to fully retire, and so looked for an interest to put to work on them with an income. Putting all their money into low-risk savings or investments was not attractive because of the seriously low interest rate on offer.

A business opportunity came up about in a nearby housing estate. It was the sale of a property in the form of a two-story corner house conversion in the early 1970s. On viewing the property, they realised it was in a 1970s time bubble and needed substantial updating in all aspects, including the kitchen and bathroom.

Despite their entrepreneurial inexperience, some reservations and warnings of the challenges of a dynamic business environment, they bought the general grocery shop for a reasonable price. They kept it as a retail grocery shop, redecorate, upgrade all fixtures and fittings, installed a lift to the top floor out as a one-bedroom self-contained apartment. Over time, they intend to gradually expand and run the shop on a daily basis.

13. Evaluate the possible risks and rewards for Ellen and Seán as they embrace entrepreneurship. You should use the information provided as well as your own knowledge.

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Answers

Test 1 – 1.1.1: The dynamic nature of business & 1.1.2: Risk and reward

Note: Examples of AO accreditations are highlighted in suggested answers to Test 1 Section A

Section A

1. A (AO1a)
2. C (AO1a)
3. D (AO1a)
4. B and E (AO1a)
5. A and C (AO1a)
6. D and E (AO1a)

7. Award 1 mark for correctly identifying a disadvantage (AO1a). Then award up to a further 2 marks for developing the answer using two interconnected and linked points explaining the outcome and consequence (AO1b), ideally using a relevant example (AO1b). Three well-structured and in-context sentences should suffice.

Relevant points:

- Cost
- Time
- Non-acceptability by existing and new customers

8. Award 1 mark for correctly identifying one role of an entrepreneur (AO1a). Then award up to a further 2 marks for developing the answer using two interconnected and linked points explaining the outcome and consequence (AO1b), ideally using a relevant example (AO1b). Three well-structured and in-context sentences should suffice.

Relevant points:

- Setting out the business mission
- Setting out the business vision for the future
- Creating and developing a business culture
- 'Selling' the business as well as its products or services
- Raising sufficient capital to launch and maintain the enterprise
- Taking the risks necessary to achieve a short-term objective or a long-term aim

9. Award 1 mark for correctly identifying one reason why a person might want to become an entrepreneur (AO1a). Then award up to a further 2 marks for developing the answer using two interconnected and linked points explaining the possible outcome and consequence of that reason (AO1b), ideally using a relevant example (AO1b). Three well-structured and in-context sentences should suffice.

Relevant points:

- To be their own boss
- To follow their 'dream'
- Nine-to-five hours do not suit them
- They are natural-born entrepreneurs
- For altruistic reasons

10. Award up to 2 marks for outlining an application of knowledge and understanding by developing two points on how a small local business might 'add value' to its products or services, e.g. by offering an aftersales service to its customers (AO2). This should build up customer loyalty and repeat business. Two well-structured and in-context sentences should suffice.

Relevant points:

- Develop an aftersales service
- Add new extra features to the product or service
- Improve product design
- Emphasise a unique selling point (USP)
- Develop a customer loyalty scheme
- Improve product/service quality
- Create a new use for the product or service

11. Award 1 mark for correctly identifying the difference between an 'entrepreneur' and an 'enterprise' (AO2), and award up to a further 2 marks for clearly outlining the difference between an 'entrepreneur' and an 'enterprise' (AO2), whereas 'enterprise' refers to a process or undertaking started by an entrepreneur (AO2). Two well-structured and in-context sentences should suffice.

Relevant points:

- An entrepreneur is a person who takes risks to start a business
- Enterprise refers to a process or undertaking started by an entrepreneur

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12. Award up to 3 marks for demonstrating understanding of knowledge by developing an analysis of an entrepreneur (AO1b). Then award up to 3 marks for a fully developed analysis of each risk and reward.

Note:

- There should be at least five logically linked strands in the answer.
- No conclusion, final judgement or justification is necessary.
- At least six well-developed sentences, with connecting words and phrases, should be used.

Relevant points:

At least two well-developed points. Note that ONLY negatives can be discussed.

- Financial risks
- Threat of competition and how to deal with it
- Understanding and taking legal responsibilities to employees and customers
- Impact on personal time – it's a 24/7 job
- An entrepreneur has to learn 'on the job'
- Constant stress, worry and ultimate responsibility for success or failure

Section B (reference the skills level table on pages 10–12)

13. Award up to 3 marks for demonstrating understanding of knowledge by fully developing an analysis of the risks and rewards that could apply to Ellen and Seán on becoming entrepreneurs (AO1b).

Award up to 3 marks for appropriately applying knowledge and understanding to each risk and reward outlined (AO2).

Award up to 3 marks for fully analysing each risk and reward detailed for Ellen and Seán using a logically flowing chain of reasoning (AO3a).

Finally, award up to 3 marks for making a justified final judgement on the suitability of the business for Ellen and Seán, based on the evaluation of all relevant points (AO3b).

Note:

- The stimulus material must be referenced.
- There should be at least five logically linked strands in the answer.
- There should be at least four direct contextual references to the stimulus material.
- A final judgement or justification is absolutely necessary.
- At least six fully developed sentences and a justified final conclusion, all with connecting words and phrases, should be used.

At least two well-developed points. Each point must have a well-developed pro (positive) and con (negative). A justified and fully developed final conclusion must be given.

Risk of business failure because of:

- Inexperience – which may result in bad business decision-making, which might lead to loss of customers, reduced profits, bad purchasing decisions and inadequate cash flow. In fact, most business start-ups are not successful and only slightly over 50% survive into the second year.
- Mental and physical exhaustion – may result from the stress and worry of owning a business in a dynamic environment – this may cause them 'loss of face' and diminish their self-confidence and future entrepreneurial ambitions.
- Bad planning – badly planned for, or totally unplanned, future events that in the long term will impact essential cash flow and long-term profits. The consequences of such events are uncertain future for Ellen and Seán.
- Lack of cash – in the short term their business is not established, which means they have to rely on their pensions and savings – which are finite – if anything goes wrong.

Rewards of business success include:

- Sense of achievement that motivates or encourages their 'entrepreneurial bug' to expand the business.
- Sense of independence that they are now their own boss and are free to make their own decisions.
- With sustained success comes financial stability for the two as it becomes a genuine source of income – the 'supplement'.
- It has also ensured 'job security' for as long as they want it and for as long as the business is successful.

Make a final, fully justified conclusion:

- *In conclusion I would say that...* (make your point).
- *Because...* (give contextual reasons [referencing the case study] based on your analysis).
- *However, this depends on...* (give contextual reasons [referencing the case study] based on your analysis).
- *What really matters is...* (what you believe is best for the business in the case study).

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