ENGLAND GCSE BUSINESS AQA · UNIT 1 · 25 QUESTIONS

Business in the Real World — Practice Test

This practice test was made by AI and there may be mistakes. If a question or answer looks wrong, use the Flag a mistake button so it can be fixed.

1 **A shop sells 250 shirts at £6 each. Total revenue is**

- A £1,500
- B £15,000
- C £1,800
- D £1,250

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2 **Sales at a laptop shop rose from 100 to 120 units. The percentage increase is**

- A 200%
- B 40%
- C 25%
- D 20%

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3 **A bakery sells 250 loaves at £6 each. Total revenue is**

- A £1,800
- B £15,000
- C £1,250
- D £1,500

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4 **A shop has £800 in coins in the till and £2,200 in the bank. Its total cash is**

- A £3,000
- B £2,200
- C £800
- D £30,000

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5 **A cafe has revenue of £30,000 and total costs of £20,000. Its profit is**

- A £10,500
- B £100,000
- C £50,000
- D £10,000

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6 **A market stall sells 150 plants at £4 each. Total revenue is**

- A £6,000
- B £800
- C £450
- D £600

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7

Why might a new business fail?

A It runs out of cash

B Its products are too popular

C It has too many customers

D Its owner works too few hours each day

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8

What is a surplus?

A Money spent on advertising, in certain situations

B Money paid to shareholders

C Money borrowed from a bank

D Money left over after costs are paid

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9 **Why do some businesses locate abroad?**

- **A** To avoid all laws
- **B** To make products more slowly, in certain situations
- **C** To be near new customers or cut costs
- **D** To pay higher wages

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10 **What does SMART stand for?**

- **A** Specific, Measurable, Ambitious, Rich, Timely
- **B** Strong, Marketable, Achievable, Realistic, Timed
- **C** Specific, Measurable, Achievable, Realistic, Time-bound
- **D** Sensible, Manageable, Affordable, Reasonable, Tested over a long period of time

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11 **What is the main purpose of most businesses?**

A To help charities

B To make a profit

C To give away all of its goods and services to customers for free

D To employ people

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12 **Why might profit and ethics conflict?**

A Ethics always increases profit

B Ethical businesses never make a profit, in certain situations

C Acting ethically can cost money and cut profit

D Profit and ethics never conflict

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13 **What is deindustrialisation?**

A A rise in the number of factories

B A rise in farming jobs

C A fall in manufacturing jobs as the economy changes

D A fall in the number of shops on the high street, in certain situations

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14 **Which objective would help a business survive a recession?**

A Build up cash reserves

B Open many new shops at once

C Spend all cash on advertising

D Borrow as much as possible

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15 **What liability do partners have?**

A Unlimited liability

B Liability only for the money they invested

C No liability at all

D Limited liability

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16 **What does the local community want from a business?**

A More traffic through the area, in certain situations

B Lower wages

C Jobs and little harm to the area

D Higher dividends

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17 **What is innovation?**

A Copying a rival's product

B Selling the same product as before, which a business might do

C Coming up with a new idea or a better way of doing something

D Buying a business from its owner

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18 **Why is a business plan useful?**

A It helps the owner plan and shows lenders the business is serious

B It sets the price of every product, which happens in some businesses

C It guarantees success

D It removes all risk

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19 **What is a share?**

A A part of a company that can be owned

B A tax paid to the government, in certain situations

C A wage paid to a worker

D A loan from a bank

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20 **What is a disadvantage of being a sole trader?**

A The owner knows the customers well

B The owner makes all decisions

C The owner has unlimited liability

D The owner keeps all the profit

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21

What is a marketing economy of scale?

A Spreading advertising costs over more products sold

B Paying more for each advert

C Hiring more sales staff

D Advertising only in one town, which a business might do

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22

What is horizontal integration?

A Joining with a business in another country, in certain situations

B Joining with a business at the same stage of production

C Joining with a supplier

D Joining with a customer

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23 **Total costs are £20,000 for 500 units. Average unit cost is**

- A £40
- B £500
- C £400
- D £20,000

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24 **Why do banks ask to see a business plan?**

- A To decide what products to sell
- B To choose where the business should be located
- C To set the price of the products
- D To judge whether the business can repay a loan

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25

Why might a business choose not-for-profit status?

A To sell shares to the public

B To focus on helping others rather than making profit

C To avoid paying any wages

D To borrow money more cheaply from banks, in certain situations

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ANSWER KEY

1.	A	**10.**	C	**19.**	A
2.	D	**11.**	B	**20.**	C
3.	D	**12.**	C	**21.**	A
4.	A	**13.**	C	**22.**	B
5.	D	**14.**	A	**23.**	A
6.	D	**15.**	A	**24.**	D
7.	A	**16.**	C	**25.**	B
8.	D	**17.**	C		
9.	C	**18.**	A		

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