ENGLAND GCSE BUSINESS EDEXCEL · UNIT 1 · 25 QUESTIONS

# Enterprise and Spotting an Opportunity — 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 cafe has revenue of £20,000 and total costs of £15,000. Its profit is**

- A £35,000
- B £50,000
- C £5,500
- D £5,000

Understand It with Pulse | Flag a mistake

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

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

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3 **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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4 **A shop has £500 in coins in the till and £1,500 in the bank. Its total cash is**

- A £1,500
- B £2,000
- C £20,000
- D £500

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

- A £6,000
- B £450
- C £600
- D £800

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

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

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7 **A business sells 120,000 units in a market of 600,000 units in total. Its market share is**

- A 10%
- B 25%
- C 20%
- D 40%

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8 **How can a business find out what customers want?**

- A By copying rivals
- B Through market research
- C By guessing
- D By raising prices, in certain situations

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9 **Why might a business enter a growing market?**

- A Costs are always low
- B Competition is always low, in certain situations
- C Sales are rising so there is room to grow
- D Prices are always high

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**10** **Sales fell from 200 to 160 units. The percentage decrease is**

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

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**11** **Why is market research useful before starting up?**

- A It shows whether customers want the product
- B It removes all risk
- C It tells the business exactly what price to charge
- D It guarantees the business will succeed

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**12** **What happens when a business adds value?**

- A The price of the product falls
- B The business must employ fewer workers, which a business might do
- C The business always makes a loss
- D Customers are willing to pay more than the cost of the inputs

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**13** **Which is a segment by lifestyle?**

- A Buyers aged 18 to 25
- B Buyers in the north
- C Health-conscious buyers
- D Buyers with high incomes

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14 **What is the tertiary sector?**

A Businesses that grow raw materials

B Businesses that extract oil and gas from the ground

C Businesses that make products

D Businesses that provide services

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15 **What is a disadvantage of primary research?**

A It is always out of date, in certain situations

B It can be expensive and time-consuming

C It cannot be trusted

D It is never specific

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16 **Sales rose from 100 to 120 units. The percentage increase is**

A 40%

B 200%

C 20%

D 25%

Understand It with Pulse | Flag a mistake

17 **What is an entrepreneur?**

A A person who sets up a business, taking on the risk

B A person who checks a business's accounts each year

C A person who lends money to businesses

D A person who works for a large business

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18 **A business sells 50,000 units in a market of 100,000 units in total. Its market share is**

A 50%

B 55%

C 100%

D 25%

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19 **What is buying behaviour?**

A How and why customers choose products

B How workers are paid

C How products are made

D How businesses set prices, in certain situations

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**20** **What is market share?**

- A The total sales in a market
- B The number of shops a business owns, in certain situations
- C The profit a business makes
- D A business's sales as a percentage of total market sales

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**21** **Sales fell from 80 to 72 units. The percentage decrease is**

- A 20%
- B 100%
- C 10%
- D 15%

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

A To set the price of the products

B To decide what products to sell

C To choose where the business should be located

D To judge whether the business can repay a loan

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23 **Which business is in the secondary sector?**

A A shop selling clothes

B A school teaching pupils

C A factory making cars

D A farm growing wheat

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24

## How can a market map help a business?

A It sets the price of products, in certain situations

B It shows a gap where no rival sits

C It finds new suppliers

D It trains workers

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25

## What is a customer need?

A Something a customer must have to live

B Something a person could live without but would enjoy owning

C Something a customer would like

D A product a business sells

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# ANSWER KEY

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

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