ENGLAND GCSE BUSINESS EDEXCEL · UNIT 2 · 10 QUESTIONS

Putting the Idea into Practice — 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 factory has fixed costs of £2,000 and variable costs of £5 per unit. It makes 200 units. Total costs are**

- A £3,000
- B £401,000
- C £30,000
- D £2,005

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2 **Sales at a smartphone shop rose from 100 to 110 units. The percentage increase is**

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

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3 **What liability do partners have?**

A Limited liability

B No liability at all

C Unlimited liability

D Liability only for the money they invested

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4 **A business has revenue of £3,000 and total costs of £20,000. Its loss is**

A £17,500

B £23,000

C £17,000

D £170,000

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5 **Sales rose from 100 to 110 units. The percentage increase is**

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

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6 **Net profit is £15,000 and revenue is £100,000. Net profit margin is**

- A 20%
- B 15%
- C 30%
- D 85%

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7 **A business invests £20,000 in new equipment. It expects an average profit of £2,000 each year. The average rate of return is**

- A 90%
- B 20%
- C 15%
- D 10%

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8 **How does bulk buying cut costs?**

- A Suppliers charge more for large orders, in certain situations
- B Transport costs rise
- C Suppliers give discounts for large orders
- D More workers are needed

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9 **Break-even output is 500 units and a business actually sells 650 units. Its margin of safety is**

- A 1,500 units
- B 650 units
- C 500 units
- D 150 units

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10 **What happens below break-even output?**

- A Costs equal revenue
- B Sales are at their highest
- C The business makes a loss
- D The business makes a profit

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ANSWER KEY

1. A
2. D
3. C
4. C
5. D
6. B
7. D
8. C
9. D
10. C

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