ENGLAND GCSE BUSINESS EDEXCEL · UNIT 2 · 25 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 **Sales at a smartphone shop rose from 50 to 75 units. The percentage increase is**

- A 50%
- B 100%
- C 500%
- D 55%

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2 **A clothes shop has revenue of £14,000 and total costs of £10,000. Its profit is**

- A £40,000
- B £4,500
- C £24,000
- D £4,000

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3 **A business office has revenue of £15,000 and total costs of £9,000. Its profit is**

- A £6,000
- B £24,000
- C £6,500
- D £60,000

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4 **A delivery van business has revenue of £18,000 and total costs of £12,000. Its profit is**

- A £6,500
- B £30,000
- C £60,000
- D £6,000

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5 **A factory has fixed costs of £5,000 and variable costs of £8 per unit. It makes 400 units. Total costs are**

- A £5,008
- B £2,003,200
- C £8,200
- D £82,000

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6 **A bakery borrows £5,000 from a bank at 10% interest a year. The interest paid in one year is**

- A £500
- B £5,500
- C £5,000
- D £550

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7 **What is average unit cost?**

A Profit divided by units sold

B Fixed costs divided by variable costs, in certain situations

C Total costs divided by the number of units made

D Total revenue divided by units sold

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8 **What is footfall?**

A The number of workers in a shop, in certain situations

B The profit a shop makes

C The number of people passing a location

D The rent a shop pays

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9 **A business has revenue of £3,000 and total costs of £10,000. Its loss is**

- A £7,000
- B £7,500
- C £13,000
- D £70,000

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10 **A business sells 100,000 units in a market of 200,000 units in total. Its market share is**

- A 100%
- B 55%
- C 50%
- D 25%

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11 **A business invests £100,000 in new equipment. It expects an average profit of £10,000 each year. The average rate of return is**

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

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12 **What is a takeover?**

- A Two businesses joining equally
- B A business selling its products abroad
- C One business buying another business
- D A business closing a branch

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13 **Total costs are £20,000 for 250 units. Average unit cost is**

- A £800
- B £80
- C £20,000
- D £250

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14 **Why might a business plan need updating?**

- A Customers demand a new plan
- B The law requires a new plan each month, in certain situations
- C Circumstances change, such as new rivals or costs
- D Plans must never be changed

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15 **Gross profit is £4,000 and revenue is £20,000. Gross profit margin is**

- A 40%
- B 30%
- C 20%
- D 80%

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16 **How can a business reduce stakeholder conflict?**

- A By talking to stakeholders and finding a compromise
- B By refusing to listen to workers
- C By always putting shareholders first, in certain situations
- D By ignoring all stakeholders

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17 **What is a cash outflow?**

A Money leaving a business

B Money kept in the till

C Money owed by customers

D Money coming into a business

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18 **Which of these is a SMART objective?**

A Sell lots of products to lots of people

B Make as much money as possible

C Increase sales by 10% in the next year

D Be the best business in the world

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19 **A toy shop sells 50 toys at £8 each. Total revenue is**

- A £800
- B £4,000
- C £400
- D £350

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20 **Net profit is £8,000 and revenue is £40,000. Net profit margin is**

- A 40%
- B 20%
- C 80%
- D 25%

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21 **What is share capital?**

A Money raised by selling shares

B Profit kept in the business, in certain situations

C Money borrowed from a bank

D Money from an overdraft

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22 **A business has fixed costs of £5,000 and variable costs of £15 per unit. It makes 100 units. Total costs are**

A £501,500

B £5,015

C £65,000

D £6,500

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23 **What happens to profit in a partnership?**

- A It is given to the government, in certain situations
- B It is paid to shareholders
- C It is kept by one partner
- D It is shared between the partners

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24 **A business starts the month with £1,000. Cash inflows are £12,000 and cash outflows are £6,000. Its closing balance is**

- A £13,000
- B £7,000
- C £70,000
- D £19,000

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25 **Sales rose from 100 to 150 units. The percentage increase is**

A 55%

B 100%

C 50%

D 500%

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ANSWER KEY

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

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