ENGLAND GCSE BUSINESS EDEXCEL · UNIT 2 · 5 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 delivery van business has revenue of £22,000 and total costs of £16,000. Its profit is**

- A £38,000
- B £6,500
- C £6,000
- D £60,000

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2 **Why might a new business use retained profit?**

- A It is free and does not need repaying
- B It never runs out
- C It can raise large amounts quickly, in certain situations
- D Banks always prefer it

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3 **What must a franchisee do about the products sold?**

- A Sell the products the franchisor specifies
- B Make all products from scratch
- C Sell only the cheapest products, in certain situations
- D Choose any products to sell

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4 **Break-even output is 500 units and a business actually sells 800 units. Its margin of safety is**

- A 500 units
- B 3,000 units
- C 800 units
- D 300 units

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5 **What is a disadvantage of a public limited company?**

A It has unlimited liability

B It cannot raise much capital

C It cannot employ many workers, in certain situations

D Anyone can buy shares and take over the business

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ANSWER KEY

1. C
2. A
3. A
4. D
5. D

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