ENGLAND GCSE BUSINESS EDEXCEL · UNIT 3 · 25 QUESTIONS

External Influences and Growing the Business — 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 sells 300 cups of coffee at £9 each. Total revenue is**

- A £3,150
- B £2,400
- C £2,700
- D £27,000

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2 **A shop has revenue of £11,000 and total costs of £7,000. Its profit is**

A £18,000

B £4,500

C £4,000

D £40,000

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3 **A factory has revenue of £16,000 and total costs of £11,000. Its profit is**

A £5,000

B £50,000

C £5,500

D £27,000

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4 **Sales at a bakery rose from 160 to 200 units. The percentage increase is**

- A 250%
- B 50%
- C 25%
- D 30%

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

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

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6 **A delivery van business has fixed costs of £3,000 and variable costs of £4 per unit. It makes 250 units. Total costs are**

- A £3,004
- B £40,000
- C £751,000
- D £4,000

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7 **What is a technical economy of scale?**

- A Hiring more managers
- B Using larger, more efficient machinery
- C Buying in bulk
- D Borrowing money more cheaply, in certain situations

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8 **What is an exchange rate?**

A The tax on imports

B The price of one currency in terms of another

C The price of a product abroad, in certain situations

D The cost of shipping goods

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9 **How can a website help a small business?**

A It removes the need for products, in certain situations

B Customers far away can find and buy from it

C It stops rivals from trading

D It guarantees a profit

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10 **How does competition affect prices?**

A It removes all choice

B It can force prices down

C It stops businesses advertising

D It always raises prices

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11 **What is the effect of a strong pound on UK businesses that export?**

A Their goods cost more abroad so sales may fall

B Their sales always rise

C Their goods cost less abroad, in certain situations

D Their costs always fall

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12 **What is inflation?**

A A fall in unemployment

B A rise in wages only

C A fall in prices over time, in certain situations

D A general rise in prices over time

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13 **Why does the law affect businesses?**

A To protect workers, consumers and the environment

B To stop all competition

C To help businesses make more profit, in certain situations

D To make products more expensive

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14 **What is a weakness of a business plan?**

A Its forecasts may be wrong

B It always predicts the future exactly

C It is never read by anyone

D It costs nothing to write

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15 **Why might a pressure group target a business?**

A To help the business make profit, in certain situations

B To employ more workers

C To stop a practice it sees as harmful

D To buy shares in the business

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16 **What is an advantage of growth?**

A Growth never causes problems

B Small businesses can never grow

C The business always makes more profit, in certain situations

D The business can spread its fixed costs over more units

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17 **What is insurance for a business?**

A A wage paid to workers, in certain situations

B A loan from a bank

C A tax on profits

D Paying a premium so an insurer covers a loss

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18 **What is a disadvantage of a city centre location?**

A High rent

B Poor transport links

C Low footfall

D Few customers

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19 **What are diseconomies of scale?**

A Cost savings from growing larger

B Profits rising as a business grows, in certain situations

C Prices falling as output rises

D Cost increases when a business becomes too large

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20 **Why has globalisation grown?**

- A Transport has become slower
- B Better transport and communication link countries
- C Countries have stopped trading, in certain situations
- D The internet has closed down

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21 **What is a drawback of e-commerce for customers?**

- A They must visit the shop
- B They pay more than in shops
- C They cannot compare prices
- D They must wait for delivery

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22 **How can good customer service beat rivals?**

- A Customers return and recommend the business
- B Workers must be paid less, in certain situations
- C Prices must rise
- D Customers always leave

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23 **Why might a business change its prices when costs rise?**

- A To lose customers
- B To cut its profit
- C To pay workers less, in certain situations
- D To protect its profit margin

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24 **What happens to spending in a recession?**

A Businesses always grow

B Consumers spend more

C Consumers spend less

D Unemployment falls to zero

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25 **Why might a business welcome a new law?**

A Laws never help businesses

B It may protect the business from unfair rivals

C Customers dislike all laws, in certain situations

D All laws cut profits

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ANSWER KEY

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

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