ENGLAND GCSE BUSINESS EDEXCEL · UNIT 4 · 10 QUESTIONS

Making Decisions in a Growing 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 smartphone shop has revenue of £34,000 and total costs of £26,000. Its profit is**

- A £8,000
- B £80,000
- C £60,000
- D £8,500

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2 **A bakery borrows £8,000 from a bank at 10% interest a year. The interest paid in one year is**

- A £850
- B £800
- C £8,000
- D £8,800

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3 **What is recruitment?**

- A Training existing workers
- B Finding and hiring new workers
- C Paying workers their wages, in certain situations
- D Dismissing workers

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4

Why might a business use sales promotion?

A To train workers

B To boost sales quickly

C To raise prices

D To cut advertising, in certain situations

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5

What is a quality standard?

A The number of products made, in certain situations

B A level of quality a product must reach

C The wage paid to workers

D The price of a product

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6 **A toy shop sells 250 toys at £15 each. Total revenue is**

- A £3,750
- B £4,500
- C £37,500
- D £3,500

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7 **What is a minimum stock level?**

- A The number of products in a shop, in certain situations
- B The highest stock level allowed
- C The lowest stock level allowed before ordering
- D The level at which stock is sold

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8 **What happens in the decline stage?**

- A The product is launched
- B Profit is at its highest, in certain situations
- C Sales fall as customers move on
- D Sales rise fast

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9 **A business invests £40,000 in new equipment. It expects an average profit of £4,000 each year. The average rate of return is**

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

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10 **What is a reorder level?**

A The stock level at which new materials are ordered

B The price at which stock is sold, in certain situations

C The highest stock level allowed

D The lowest stock level allowed

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ANSWER KEY

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

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