ENGLAND GCSE BUSINESS EDEXCEL · UNIT 4 · 25 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 market stall has revenue of £13,000 and total costs of £9,000. Its profit is**

- A £40,000
- B £4,500
- C £22,000
- D £4,000

Understand It with Pulse | Flag a mistake

2 **A smartphone shop has revenue of £17,000 and total costs of £11,000. Its profit is**

- A £28,000
- B £6,500
- C £60,000
- D £6,000

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3 **Sales at a clothes shop rose from 90 to 135 units. The percentage increase is**

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

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4 **A bakery borrows £20,000 from a bank at 10% interest a year. The interest paid in one year is**

- A £2,050
- B £22,000
- C £2,000
- D £20,000

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5 **A laptop shop sells 240 laptops at £10 each. Total revenue is**

- A £24,000
- B £2,400
- C £2,160
- D £2,900

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6 **A business office has fixed costs of £9,000 and variable costs of £9 per unit. It makes 500 units. Total costs are**

- A £135,000
- B £9,009
- C £4,504,500
- D £13,500

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7 **What is a financial method of motivation?**

- A Team working
- B Pay, bonuses or profit sharing
- C Job enrichment
- D Praise from a manager, in certain situations

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8 **What is job sharing?**

A Workers sharing one desk

B Two workers sharing one full-time job

C One worker doing two jobs

D Two businesses sharing workers, in certain situations

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9 **A business invests £50,000 in new equipment. It expects an average profit of £10,000 each year. The average rate of return is**

A 20%

B 40%

C 80%

D 25%

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10 **Net profit is £20,000 and revenue is £100,000. Net profit margin is**

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

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11 **What is a current asset?**

- A Machinery used for years
- B A building owned for years, in certain situations
- C Cash or something that will become cash soon
- D A long-term loan

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12 **Sales rose from 100 to 125 units. The percentage increase is**

A 25%

B 30%

C 250%

D 50%

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13 **What is just-in-case (JIC)?**

A Making products only to order

B Keeping no stock at all

C Ordering materials only when needed, in certain situations

D Holding buffer stocks in case of delays

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14 **Fixed costs are £48,000, the selling price is £26 and variable cost per unit is £14. Break-even output is**

A 40,000 units

B 3,428 units

C 4,000 units

D 1,846 units

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15 **What is a CV?**

A A list of references only, which happens in some businesses

B A summary of a person's education, skills and experience

C A contract of employment

D A letter asking for a job

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16 **A business borrows £1,000 at 10% interest a year. The interest paid in one year is**

- A £1,000
- B £100
- C £1,100
- D £150

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17 **Sales fell from 100 to 90 units. The percentage decrease is**

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

Understand It with Pulse | Flag a mistake

18 **A business sells 100,000 units in a market of 500,000 units in total. Its market share is**

- A 10%
- B 25%
- C 40%
- D 20%

Understand It with Pulse | Flag a mistake

19 **What is a bank loan?**

- A Money borrowed for a set time with interest
- B Money given by the government, in certain situations
- C Money kept from profits
- D Money from selling shares

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20 **What is a distribution channel?**

A A price list

B A television advert

C The route a product takes to reach customers

D A type of packaging, which a business might do

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

A £7,000

B £70,000

C £13,000

D £7,500

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22 **Why might a business train workers even though it costs money?**

- A Workers will leave if not trained
- B Training always pays for itself at once, in certain situations
- C Better skills can raise quality and productivity
- D Training is required by law always

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23 **What is delayering?**

- A Opening more branches
- B Employing more workers, in certain situations
- C Removing layers of management
- D Adding more managers

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24 **What is quality control?**

A Training workers to avoid mistakes, in certain situations

B Asking customers what they want

C Checking products at the end of production

D Building quality into every stage

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25 **Why might a business use promotional pricing?**

A To make the product seem exclusive, in certain situations

B To raise profit per sale

C To avoid all advertising

D To clear old stock or attract new customers

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ANSWER KEY

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

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