ENGLAND GCSE BUSINESS EDEXCEL · FINAL EXAM · 50 QUESTIONS

Final Exam — 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 to let Brett know so he can fix it.

1 **A shop sells 250 shirts at £6 each. Total revenue is**

- A £1,500
- B £1,800
- C £15,000
- D £1,250

Understand It with Pulse | Flag a mistake

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

Understand It with Pulse | Flag a mistake

3 **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

Understand It with Pulse | Flag a mistake

4 **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

Understand It with Pulse | Flag a mistake

5 **A shop has £500 in coins in the till and £1,500 in the bank. Its total cash is**

- A £1,500
- B £2,000
- C £20,000
- D £500

Understand It with Pulse | Flag a mistake

6 **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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7 **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

Understand It with Pulse | Flag a mistake

8 **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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9

How can a business find out what customers want?

A By copying rivals

B Through market research

C By guessing

D By raising prices, in certain situations

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10

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

Understand It with Pulse | Flag a mistake

11 **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

Understand It with Pulse | Flag a mistake

12 **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%

Understand It with Pulse | Flag a mistake

13 **Why is market research useful before starting up?**

- A It shows whether customers want the product
- B It removes all risk
- C It tells the business exactly what price to charge
- D It guarantees the business will succeed

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14 **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%

Understand It with Pulse | Flag a mistake

15 **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

Understand It with Pulse | Flag a mistake

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

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

Understand It with Pulse | Flag a mistake

17 **A bakery sells 250 loaves at £6 each. Total revenue is**

- A £1,800
- B £1,500
- C £15,000
- D £1,250

Understand It with Pulse | Flag a mistake

18 **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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19 **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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20 **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

Understand It with Pulse | Flag a mistake

21 **What is an entrepreneur?**

A A person who sets up a business, taking on the risk

B A person who checks a business's accounts each year

C A person who lends money to businesses

D A person who works for a large business

Understand It with Pulse | Flag a mistake

22 **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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23 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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24 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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25 **A business sells 50,000 units in a market of 100,000 units in total. Its market share is**

A 50%

B 55%

C 100%

D 25%

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26 **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

Understand It with Pulse | Flag a mistake

27 **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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28 **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

Understand It with Pulse | Flag a mistake

29 **How can a market map help a business?**

- A It sets the price of products, in certain situations
- B It shows a gap where no rival sits
- C It finds new suppliers
- D It trains workers

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30 **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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31 **A shop has revenue of £21,000 and total costs of £14,000. Its profit is**

A £35,000

B £7,000

C £7,500

D £70,000

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32 **A smartphone shop has revenue of £27,000 and total costs of £20,000. Its profit is**

A £70,000

B £47,000

C £7,000

D £7,500

Understand It with Pulse | Flag a mistake

33 **Sales rose from 80 to 96 units. The percentage increase is**

- **A** 40%
- **B** 25%
- **C** 200%
- **D** 20%

Understand It with Pulse | Flag a mistake

34 **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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35 **What is a multinational business?**

A. A business that sells in one town

B. A business owned by the government, in certain situations

C. A business that operates in more than one country

D. A business with one shop

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36 **Why is training important for a business?**

A. It removes the need for managers, in certain situations

B. It always cuts costs

C. Workers need no supervision

D. Workers become more skilled and productive

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37 **A business sells 20,000 units in a market of 50,000 units in total. Its market share is**

- A 20%
- B 40%
- C 80%
- D 45%

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38 **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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39 **A cafe sells 200 cups of coffee at £7 each. Total revenue is**

- A £1,200
- B £1,750
- C £1,400
- D £14,000

Understand It with Pulse | Flag a mistake

40 **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

Understand It with Pulse | Flag a mistake

41 **Which of these is a want?**

A Medicine prescribed by a doctor

B Bread

C A games console

D Water

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42 **What liability do partners have?**

A Limited liability

B No liability at all

C Unlimited liability

D Liability only for the money they invested

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43 **What happens to spending in a boom?**

A Unemployment rises sharply

B Businesses close down

C Consumers spend less

D Consumers spend more

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

A £3,750

B £4,500

C £37,500

D £3,500

Understand It with Pulse | Flag a mistake

45 **What is market research?**

A Setting product prices

B Selling products to customers, in certain situations

C Finding out what customers want

D Advertising products

Understand It with Pulse | Flag a mistake

46 **Net profit is £15,000 and revenue is £100,000. Net profit margin is**

A 20%

B 15%

C 30%

D 85%

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47 **What is a risk of selling online?**

A Rivals cannot copy the website, in certain situations

B Shops always make more profit

C Customers cannot touch products before buying

D Delivery is always free

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48 **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%

Understand It with Pulse | Flag a mistake

49 **What is a start-up?**

A A business that has closed down

B A business that has traded for 50 years

C A large business with many branches

D A newly formed business

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50 **Break-even output is 500 units and a business actually sells 650 units. Its margin of safety is**

A 1,500 units

B 650 units

C 500 units

D 150 units

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ANSWER KEY

1.	A	**18.**	C	**35.**	C
2.	D	**19.**	D	**36.**	D
3.	C	**20.**	B	**37.**	B
4.	D	**21.**	A	**38.**	D
5.	B	**22.**	A	**39.**	C
6.	C	**23.**	D	**40.**	B
7.	D	**24.**	A	**41.**	C
8.	D	**25.**	A	**42.**	C
9.	B	**26.**	A	**43.**	D
10.	C	**27.**	A	**44.**	A
11.	B	**28.**	C	**45.**	C
12.	A	**29.**	B	**46.**	B
13.	A	**30.**	B	**47.**	C
14.	C	**31.**	B	**48.**	B
15.	D	**32.**	C	**49.**	D
16.	A	**33.**	D	**50.**	D
17.	B	**34.**	A		

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