ENGLAND GCSE BUSINESS OCR · UNIT 1 · 10 QUESTIONS

Business Activity — 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 shop has £500 in coins in the till and £1,500 in the bank. Its total cash is**

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

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2 **Sales at a laptop shop rose from 200 to 250 units. The percentage increase is**

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

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3 **Who owns a cooperative?**

A Its members

B The government

C Its shareholders

D A single owner

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4 **Why should objectives be measurable?**

A So the business can tell whether it has met them

B So workers do not know them

C So customers will buy more products, in certain situations

D So rivals cannot copy them

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5 **Why might customers and shareholders conflict?**

A Customers want lower prices while shareholders want higher profits

B Shareholders want lower profits

C Customers want higher prices

D Both groups want the same prices, which some businesses choose to do

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6 **What is organic growth?**

A Growing by selling shares

B Growing by buying another business, in certain situations

C Growing by selling more products or opening new shops

D Growing by closing branches

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7 **Why do new businesses often aim for survival first?**

A New businesses have no rivals

B Many new businesses fail in their first year

C New businesses always make a profit

D New businesses never run out of cash, in certain situations

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8 **Who makes decisions in a sole trader business?**

A A group of partners

B A board of directors

C The shareholders

D The owner alone

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9 **What is limited liability?**

A Owners cannot lose any money

B The business cannot borrow money

C Owners risk all their personal belongings, in certain situations

D Owners only risk the money they invested in the business

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10 **Total costs are £30,000 for 300 units. Average unit cost is**

A £1,000

B £100

C £300

D £30,000

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ANSWER KEY

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

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