ENGLAND GCSE BUSINESS OCR · UNIT 4 · 10 QUESTIONS

Finance and the Interdependent 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 £27,000 and total costs of £20,000. Its profit is

- A £70,000
- B £47,000
- C £7,000
- D £7,500

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

A 55%

B 100%

C 500%

D 50%

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3 **How do people affect operations?**

A People never affect production, in certain situations

B People set the selling price

C Skilled motivated workers produce better quality

D Operations train the workers

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4 **Fixed costs are £30,000, the selling price is £31 and variable cost per unit is £6. Break-even output is**

- A 5,000 units
- B 1,200 units
- C 967 units
- D 12,000 units

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5 **What is cash flow?**

- A Profit made by a business
- B Money coming in and going out of a business
- C Sales made by a business
- D Money borrowed from a bank, in certain situations

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6 **A clothes shop sells 120 shirts at £30 each. Total revenue is**

- A £3,480
- B £36,000
- C £3,600
- D £5,100

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7 **Gross profit is £6,250 and revenue is £25,000. Gross profit margin is**

- A 25%
- B 35%
- C 75%
- D 50%

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8 **A business has fixed costs of £20,000 and variable costs of £4 per unit. It makes 1000 units. Total costs are**

- A £24,000
- B £240,000
- C £20,004
- D £20,004,000

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9 **Net profit is £8,000 and revenue is £40,000. Net profit margin is**

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

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10 **A business starts the month with £500. Cash inflows are £8,000 and cash outflows are £2,000. Its closing balance is**

A £65,000

B £8,500

C £6,500

D £10,500

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ANSWER KEY

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

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