ENGLAND GCSE BUSINESS OCR · 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 **What is a gap in the market?**

- A A business that has stopped trading, in certain situations
- B A product that is too cheap
- C A shop with no customers
- D A customer need that no business is meeting

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2 **A bakery borrows £5,000 from a bank at 10% interest a year. The interest paid in one year is**

- A £500
- B £5,500
- C £550
- D £5,000

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3 **A delivery van business has fixed costs of £8,000 and variable costs of £12 per unit. It makes 400 units. Total costs are**

- A £128,000
- B £3,204,800
- C £12,800
- D £8,012

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4 **Sales at a clothes shop rose from 150 to 180 units. The percentage increase is**

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

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5 **Why do companies have a board of directors?**

- A To sell shares to the public, in certain situations
- B To buy goods from suppliers
- C To lend money to the company
- D To run the company on behalf of shareholders

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6 **A factory has fixed costs of £2,000 and variable costs of £5 per unit. It makes 200 units. Total costs are**

- A £3,000
- B £2,005
- C £30,000
- D £401,000

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7 **Sales at a bakery rose from 100 to 150 units. The percentage increase is**

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

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8 **A market stall has revenue of £23,000 and total costs of £16,000. Its profit is**

- A £70,000
- B £7,500
- C £39,000
- D £7,000

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9

Who might read a business plan?

A A rival business owner

B A worker applying for a job, in certain situations

C A bank manager considering a loan

D A customer buying a product

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10

When is price skimming useful?

A When a new product has little competition

B When many rivals sell the same product, in certain situations

C When the market is full

D When costs are very low

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11 **How has technology helped businesses sell?**

A By stopping all advertising, in certain situations

B By closing all shops

C By making products by hand

D Through e-commerce, selling online at any time

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12 **A business invests £40,000 in new equipment. It expects an average profit of £10,000 each year. The average rate of return is**

A 25%

B 50%

C 30%

D 75%

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13 **Why might a business grow?**

A To reduce its sales

B To increase market share and profit

C To pay more tax

D To employ fewer workers, in certain situations

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14 **How does place affect sales?**

A Only price affects sales

B Convenient places make buying easier

C Customers always travel far to buy, in certain situations

D Place never affects sales

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15 **What is an advantage of batch production?**

A It needs no machinery

B Every product is identical

C It always has the lowest unit costs, in certain situations

D It offers variety while keeping some cost savings

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16 **How can a business improve cash flow?**

A By holding more stock

B By giving customers longer to pay

C By asking customers to pay sooner

D By paying suppliers sooner

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17 **Why might a business plan need updating?**

A Customers demand a new plan

B Plans must never be changed

C The law requires a new plan each month, in certain situations

D Circumstances change, such as new rivals or costs

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18 **What is piece rate pay?**

A Pay based on the number of items produced

B Pay based on hours worked

C Pay based on age

D The same pay for everyone, in certain situations

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19 **Why might a business import raw materials?**

A The law forces all imports

B Imports are always more expensive, in certain situations

C They may be cheaper or unavailable at home

D Local suppliers never sell

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20 **Gross profit is £5,000 and revenue is £25,000. Gross profit margin is**

A 80%

B 40%

C 30%

D 20%

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21 **What is a stakeholder?**

A A person who owns shares

B A worker in the business

C Anyone with an interest in a business

D A customer of the business, in certain situations

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22 **What happens in the maturity stage?**

A The product is new

B Sales level off as the market is full

C The product is withdrawn, in certain situations

D Sales rise very fast

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23 **What must a product be under consumer law?**

- A Safe and as described
- B The cheapest available
- C Sold only in shops
- D Made in the UK

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24 **A business has revenue of £20,000 and total costs of £8,000. Its profit is**

- A £12,000
- B £28,000
- C £12,500
- D £120,000

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25 **What is a financial objective?**

A To improve customer service

B To increase profit

C To reduce pollution

D To employ more local people

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26 **Sales fell from 500 to 250 units. The percentage decrease is**

A 100%

B 500%

C 55%

D 50%

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27 **How can a website help a small business?**

A It removes the need for products, in certain situations

B It stops rivals from trading

C It guarantees a profit

D Customers far away can find and buy from it

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28 **A business has fixed costs of £10,000 and variable costs of £4 per unit. It makes 400 units. Total costs are**

A £10,004

B £11,600

C £116,000

D £4,001,600

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29 **What is a business objective?**

A A rival business in the same market, in certain situations

B A short-term target that helps reach an aim

C A long-term goal of the business

D A product a business sells

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30 **What is a questionnaire?**

A A set of questions given to customers

B A record of past sales

C A group discussion

D A face-to-face interview, in certain situations

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

A £7,500

B £7,000

C £35,000

D £70,000

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32 **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 £4,504,500

C £9,009

D £13,500

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33 **Why might a business aim to increase market share?**

- A To employ fewer workers, in certain situations
- B To reduce its sales
- C To become stronger against rivals
- D To pay less tax

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34 **What is a disadvantage of cost-plus pricing?**

- A It needs to know rivals' prices, in certain situations
- B It ignores what customers will pay
- C It cannot be used for services
- D It always sets prices too low

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35 **What is business ethics?**

A Avoiding all tax legally

B Making the largest profit possible, in certain situations

C Doing what is right, not just what makes money

D Paying the lowest wages allowed

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36 **A business has revenue of £6,000 and total costs of £20,000. Its loss is**

A £14,000

B £14,500

C £26,000

D £140,000

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37 **What does it mean to be a sole trader?**

A One person owns and runs the business

B The government owns the business

C Many shareholders own the business, in certain situations

D Two people share the ownership

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38 **What is market growth?**

A A fall in total market sales

B An increase in total market sales

C A rise in the number of rivals

D An increase in one business's sales

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39 **A shop has revenue of £11,000 and total costs of £7,000. Its profit is**

- **A** £4,500
- **B** £4,000
- **C** £40,000
- **D** £18,000

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40 **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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41 **Who owns a cooperative?**

A Its members

B The government

C Its shareholders

D A single owner

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42 **Sales fell from 80 to 60 units. The percentage decrease is**

A 250%

B 25%

C 50%

D 30%

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43 **Why does quality matter to a business?**

- A Quality always raises costs
- B Customers never notice quality
- C Good quality keeps customers and builds reputation
- D Poor quality always increases sales, in certain situations

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44 **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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45

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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46

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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47 **What is sustainability?**

A Making the cheapest products

B Ignoring the environment

C Meeting present needs without harming future generations

D Using up resources as fast as possible, in certain situations

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48 **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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49

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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50

What is secondary research?

A Surveys done by the business

B Research collected first-hand

C Research collected by others and used by the business

D Interviews done by the business, in certain situations

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ANSWER KEY

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

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