

Name: _____

GCSE Revision

Date:

Time:

Total marks available:

Total marks achieved: _____

MCQ and Calculations based on Theme 1

Questions

Q1.

Which **one** of the following is an example of a non-financial objective for an entrepreneur starting a new business?

Select **one** answer:

(1)

- A** Survival
- B** Profit
- C** Market share
- D** Independence

(Total for question = 1 mark)

Q2. Which **one** of the following is a financial aim for an entrepreneur when starting a new business?

Select **one** answer.

- A** Personal satisfaction
- B** Independence
- C** Market share
- D** Challenge

(Total for question = 1 mark)

Q3. Which **one** of the following is an example of a variable cost?

Select **one** answer:

(1)

- A** Rent
- B** Raw materials
- C** Insurance
- D** Advertising

(Total for question = 1 mark)

Q4.

Using the information below calculate the total costs for the business. You are advised to show your workings.

Number of units sold: 240

Fixed costs: £1 100

Variable costs per unit: 45 pence

(2)

£

(Total for question = 2 marks)

Q5. The cost of the contactless payment system is £4 500. Neil and Sue plan to borrow the money from their bank. They will repay the loan over three years. Their monthly repayment is £136.50.

Calculate the total interest Neil and Sue will pay for this loan as a percentage of the total amount borrowed. You are advised to show your workings.

(2)

.....%

(Total for question = 2 marks)

Q6

Which **one** of the following is a definition of margin of safety?

Select **one** answer.

- A** The difference between actual and break even levels of output
- B** Where total revenue and total costs are equal
- C** The number of sales required to reach break even
- D** Profit made above the break even level of output

(Total for question = 1 mark)

Q7. Table 1 contains information about a small business for one month. The business sold 270 units in this month.

Fixed costs	£2 100
Variable costs (per unit)	£110
Sales price (per unit)	£200

Table 1

Using the information in Table 1, calculate the profit for this business. You are advised to show your workings.

£

(Total for question = 2 marks)

Q8.

Which **one** of the following best defines the term stakeholder?

Select **one** answer.

- A** An owner of a private limited company
- B** Someone with an interest in the success of a business
- C** Any individual who takes decisions within a business
- D** An individual who owns shares in a business

(Total for question = 1 mark)

Q9. Table 1 contains information about a small business for one month. The business sold 340 units in this month.

Fixed costs	£3 600
Variable costs (per unit)	£9

Table 1

Using the information in Table 1, calculate the total costs for one month. You are advised to show your workings.

(2)

£

Total for question = 2 marks)

Q10. Figure 1 shows information about the financial performance of a business from January to March.

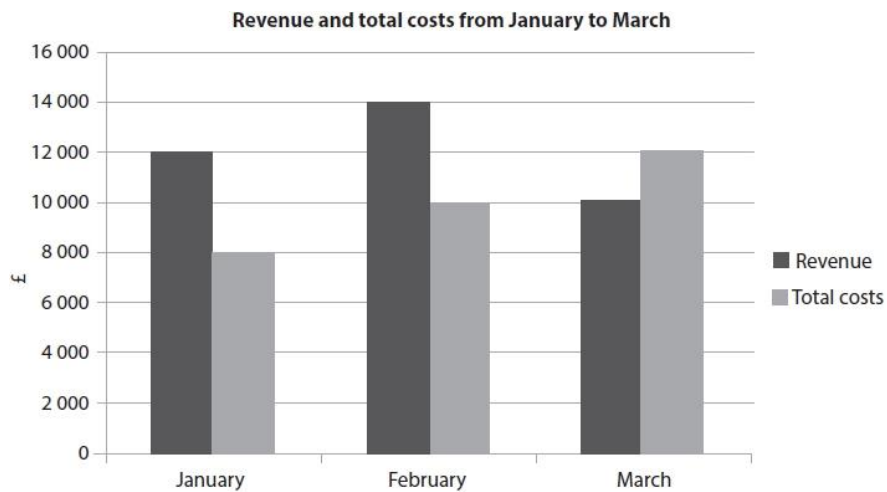


Figure 1

Using the information in Figure 1, calculate the total profit for the period January to March. You are advised to show your workings.

(2)

£

(Total for question = 2 marks)

Q11. Which **one** of the following is a short-term source of finance?

Select **one** answer.

(1)

- A** Retained profit
- B** Share capital
- C** Trade credit
- D** Venture capital

(Total for question = 1 mark)

Q12. Which **one** of the following is an example of a cash outflow for a small business?

Select **one** answer.

(1)

- A** Bank loan
- B** Personal savings
- C** Raw materials
- D** Receipts

(Total for question = 1 mark)

Q13. Which **two** of the following areas are covered by employment law?

Select **two** answers.

(2)

- A** Consumer rights
- B** Discrimination
- C** E-commerce
- D** Health and safety
- E** Quality of products

(Total for question = 2 marks)

Q14. Which **two** of the following are elements of the marketing mix?

Select **two** answers.

(2)

- A** Payment
- B** Planning
- C** Price
- D** Product
- E** Profit

Total for question = 2 marks)

Q15. Which **one** of the following is a definition of an exchange rate?

Select **one** answer.

(1)

- A** The flow of goods and services into a country
- B** The value of one currency in terms of another currency
- C** A tax on a particular good or service
- D** When businesses operate on an international scale

(Total for question = 1 mark)

Q16. Which **two** of the following are examples of primary market research?

Select **two** answers:

(2)

- A** Internet research
- B** Market reports
- C** Customer survey
- D** Government statistics
- E** Focus group

(Total for question = 2 marks)

Q17.

Which **one** of the following is an example of secondary market research?

Select **one** answer.

- A** Customer survey
- B** Focus group
- C** Market report
- D** Observation

(Total for question = 1 mark)

Q18.

Answer the question with a cross in a box . If you change your mind about an answer, put a line through the box and then mark your new answer with a cross .

Which **one** of the following statements about a franchise is correct?

Select **one** answer.

- A** A franchisee makes all their own decisions
- B** The franchisor pays the franchisee to set up in business
- C** The franchisor provides continued help and support
- D** Franchises pay lower Value Added Tax than sole traders

(Total for question = 1 mark)

Q19.

Answer the question with a cross in the box you think is correct . If you change your mind about an answer, put a line through the box and then mark your new answer with a cross .

Which **one** of the following is a benefit of starting a business as a franchise?

Select **one** answer.

- A** Lower variable costs
- B** Support from the franchisor
- C** Higher interest rates for borrowing
- D** Franchisees pay lower tax

(Total for question = 1 mark)

Q20.

Answer the question with a cross in the box you think is correct . If you change your mind about an answer, put a line through the box and then mark your new answer with a cross .

Which **one** of the following describes the role of an entrepreneur?

Select **one** answer:

- A** Being employed by a large organisation
- B** A willingness to take risks
- C** Having sufficient money to start a new business
- D** Being able to work alone

(1)

(Total for question = 1 mark)

Q21.

Answer the question with a cross in the boxes you think are correct . If you change your mind about an answer, put a line through the box and then mark your new answer with a cross .

Which **two** of the following are examples of services?

Select **two** answers:

- A** Train journey
- B** Magazine
- C** Headphones
- D** Haircut
- E** Mobile phone

(2)

(Total for question = 2 marks)

Mark Scheme

Q1.

Question number	Answer	Mark
	D	(1) AO1a

Q2.

Question number	Answer	Mark
	C	(1) AO1a

Q3.

Question number	Answer	Mark
	B	(1) AO1a

Q4.

Question number	Answer	Additional guidance	Mark
	Substitution into correct formula: Total costs = £1 100 + (240 × 0.45) (1) Answer: £1 208 (1)	Award full marks for correct numerical answer without working.	(2) AO2

Q5.

Question number	Answer	Additional guidance	Mark
	Loan = £4,500 Total repayments = $36 \times \text{£}136.50$ = £4 914 Interest = £4 914 – £4,500 = £414 Substitution into correct formula: Total interest = $414/4500 \times 100$ (1) Answer: 9.2% (1)	Award full marks for correct numerical answer without working.	(2) A02

Q6.

Question number	Answer	Mark
	B	(1) A01a

Q7.

Question number	Answer	Additional guidance	Mark
	Substitution into correct formula: Profit = $\text{£}54\,000 - (\text{£}2\,100 + \text{£}29\,700)$ (1) Answer: £22 200 (1)	Award full marks for correct numerical answer without working.	(2) A02

Q8.

Question number	Answer	Mark
	B	(1) A01a

Q9.

Question number	Answer	Additional guidance	Mark
	Substitution into correct formula: Total Costs = £3 600 + (£9 x 340) (1) Answer: £6 660 (1)	Award full marks for correct numerical answer without working.	(2) AO2

Q10.

Question number	Answer	Additional guidance	Mark
	Substitution into correct formula: Total Profit = £4 000 + £ 4 000 - £2 000 (1) Answer: £6 000 (1)	Award full marks for correct numerical answer without working.	(2) AO2

Q11.

Question number	Answer	Mark
	C - Trade credit	(1) AO1a

Q12.

Question number	Answer	Mark
	C - Raw materials	(1) AO1a

Q13.

Question number	Answer	Mark
	B - Discrimination D - Health and safety	(2) AO1a

Q14.

Question number	Answer	Mark
	C - Price D - Product	(2) AO1a

Q15.

Question number	Answer	Mark
	B - The value of one currency in terms of another currency	(1) AO1a

Q16.

Question number	Answer	Mark
	C, E	(2) AO1a

Q17.

Question number	Answer	Mark
	C	(1) AO1a

Q18.

Question number	Answer	Mark
	C	(1) A01a

Q19.

Question number	Answer	Mark
	B	(1) A01a

Q20.

Question number	Answer	Mark
	B	(1) A01a

Q21.

Question number	Answer	Mark
	A, D	(2) A01a