

- 1 Explain why a business needs to be dynamic. [3]
- 2 How can a business benefit from taking advantage of a gap in the market? [2]
- 3 Which one of the following is not an example of why new business ideas come about? Tick the correct box. [1]
- A Changes in technology
 - B Changes in what consumers want
 - C Businesses are not innovative
 - D Product/services becoming obsolete
- 4 How do changing consumer preferences impact businesses? [2]
- 5 What does the term 'risk' mean? [1]
- 6 Explain why independence is a reward for starting up a business. [3]

- 7 Explain how a lack of security is seen as a risk for an entrepreneur. [3]
- 8 Which one of the following would not lead to business failure? Tick the correct box. [3]
- A Not meeting the needs of customers
 - B Poor decision making
 - C Having a business plan
 - D Not having the finance to cover all startup costs
- 9 What is the purpose of a business? [1]
- 10 Explain why enterprise is an important factor of production. [3]
- 11 What are the five ways in which a business can add value to its goods or services? [5]
- 12 Explain how branding adds value to a business's products. [3]

- 1 What is meant by the term 'customer needs'? [1]

- 2 Why do customer needs differ? [1]

- 3 Why is it important for a business to identify customer needs? [3]

- 4 Name **three** ways a business can collect primary market research. [3]

- 5 Why are small startup businesses limited in the market research methods they can use? [2]

- 6 How can a business use social media to collect market research data? [3]

- 7 What is the difference between qualitative data and quantitative data? [2]

- 8 Identify **four** market segments a business could use to target potential customers. [4]

- 9 How are markets segmented by lifestyle? [2]

- 10 What information can a business gather by market mapping? [3]

- 11 What is the impact of competition on a business's decision making? [3]

- 12 Explain how a business can achieve success in a competitive environment. [1]

Putting a Business Idea into Practice

Practice Questions

- Why would an organisation set aims and objectives? [2]

- Give examples of **two** businesses whose objectives are likely to differ. Explain why they are different. [3]

- State **three** financial aims and objectives of a business. [3]

- What is a variable cost? [2]

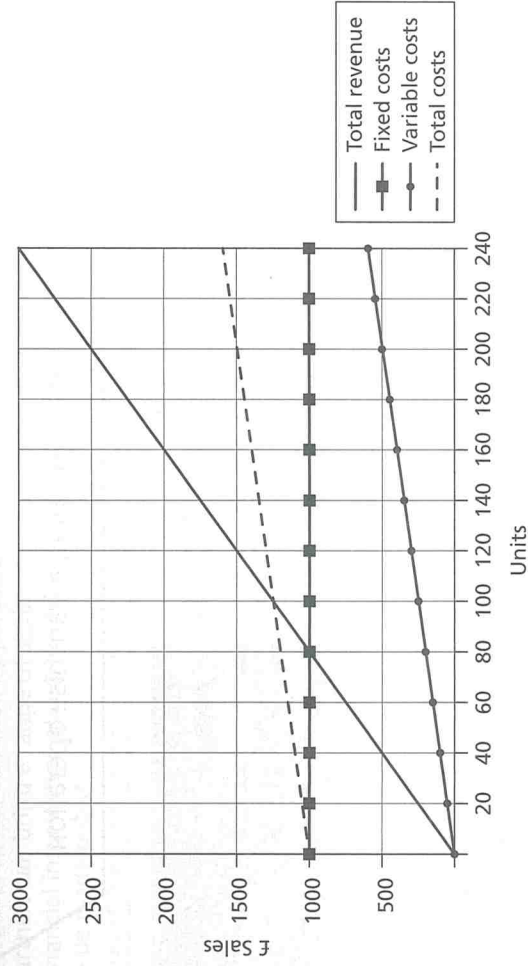
- What is the formula for Total Costs? [1]

- A business has a selling price for their product of £10 and their variable cost per unit is £6. Calculate the contribution per unit. [1]

- What does the term 'break even' mean? [2]

Practise

- From the following break-even chart identify the break-even point and the margin of safety. [2]



- Give **two** examples of a cash outflow. [2]

- What is the formula for Total Profit? [1]

- Explain what venture capital is. [3]

- Explain how selling assets could help the cash-flow of a business. [3]

