

1.4.4 Edexcel Business

Edexcel GCSE Business

1.4.4 Business plans

Multiple Choice Question Test Bank

MCQ Test 4

This MCQ test contains 13 questions covering the specification content for 1.4.4: Business plans

Instructions:

- **There are 13 questions in this test.**
- **Your teacher will determine how long you have to complete this test and under what conditions.**
- Only **one** answer per question is allowed for **questions 1-11 inclusive.**
- **Two** answers should be selected for questions **12 and 13.**
- For each answer, completely fill in the circle alongside the appropriate answer(s).
- If you want to change your answer, you must cross out your original answer.
- If you wish to return to an answer previously crossed out, ring the answer you now wish to select.

0 1 Which of the following is a major problem that an entrepreneur might encounter when writing a business plan for the first time?

- A Explaining the business idea and where it came from
- B Forecasting product sales accurately
- C Including details about the owners
- D Finding an appropriate format to present the plan

[1 mark]

0 2 The goals of a business are known as the business:

- A Idea
- B Plan
- C Aims and objectives
- D Location

[1 mark]

0 3 Which of the following best describes a business plan? A written document that describes:

- A The business, its aims/objectives, financial forecasts and market
- B The marketing plan of the business
- C The objectives and key targets of the business
- D How the business will produce its products

[1 mark]

0 4 Which of the following best describes the term, risk?

- A When something has already gone wrong
- B The possibility that something might go wrong
- C When something is difficult to predict
- D A lack of information about the market

[1 mark]

0 5 In which section of the business plan would you expect to find details about the capital needed to start-up the business?

- A The business idea
- B Business aims and objectives
- C Forecast revenue, costs and profit
- D Sources of finance

[1 mark]

0 6 A business plan is more likely to secure external funding if it is:

- A Very lengthy and vague
- B Has limited financial forecast information
- C Specific and concise
- D Has little evidence of market research being carried out

[1 mark]

0 7 An existing business may use a business plan to:

- A Focus on the business idea before start-up
- B Present to the suppliers of a private limited company
- C Secure finance from the bank for business expansion in the UK
- D Share with employees in the business

[1 mark]

0 8 Which of the following sections of a business plan would provide an initial description of the goods or services a new business will offer for sale to its customers?

- A Target market
- B The business idea
- C Business aims and objectives
- D Marketing mix

[1 mark]

0 9 Where the money to set up and run a business will come from is known as:

- A Predicted costs
- B A cash-flow forecast
- C Forecast revenue
- D Sources of finance

[1 mark]

1 0 In which section of the business plan would you expect to find details about the price the business intends to charge its customers?

- A Business aims and objectives
- B Target market
- C Marketing mix
- D Sources of finance

[1 mark]

1 1 A prediction of the amount of money coming in from sales, how much those sales will cost to make and the difference between the two figures would be found in which of the following sections of the business plan?

- A Sources of finance
- B Marketing mix
- C Forecast revenue, costs and profit
- D Target market

[1 mark]

1 2 Which **two** of the following are advantages to a new business start-up of producing a business plan?

Select **two** answers:

It will:

- A Guarantee business survival
- B Help test financial viability
- C Ensure sales targets are met
- D Not need to be referred to again by the business owner
- E Encourage the entrepreneur to think carefully about the business idea

[2 marks]

1 3 Which **two** of the following are drawbacks of business planning?

Select **two** answers:

- A Reduces risk by providing a guide for the business
- B The plan will need to be constantly updated
- C Forecasts included in the process may be over optimistic
- D Allows the business to review its progress
- E It will help to secure any finance required

[2 marks]

ANSWERS TO THIS MCQ TEST

Q	CORRECT
1	B
2	C
3	A
4	B
5	D
6	C
7	C
8	B
9	D
10	C
11	C
12	B, E
13	B, C