Edexcel GCSE Business
2.4.2 Understanding business performance
Multiple Choice Question Test Bank

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MCQ Test 3

This MCQ test contains 13 questions covering the specification content for 2.4.2: Understanding business performance
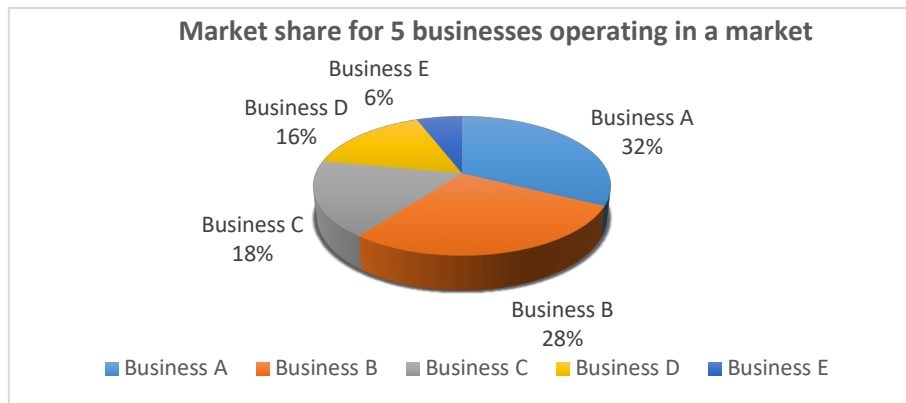

Instructions:
- **There are 13 questions in this test.**
- **Your teacher will determine how long you have to complete this test and under what conditions.**
- Only **one** answer per question is allowed for **questions 1-11 inclusive.**
- **Two** answers should be selected for questions **12 and 13.**
- 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 A travel business has decided to increase the selling price of a standard 7-night package holiday from £405 to £450 per person. Which of the following is the correct percentage increase in selling price per person?

A 10% ◯

B 11.11% ◯

C 90% ◯

D 91.11% ◯

[1 mark]

0 2 The pie chart below shows information about five businesses that operate in the same market. The total market is valued at £5,000,000.

Based on this information, the value of the market held by Business B is:

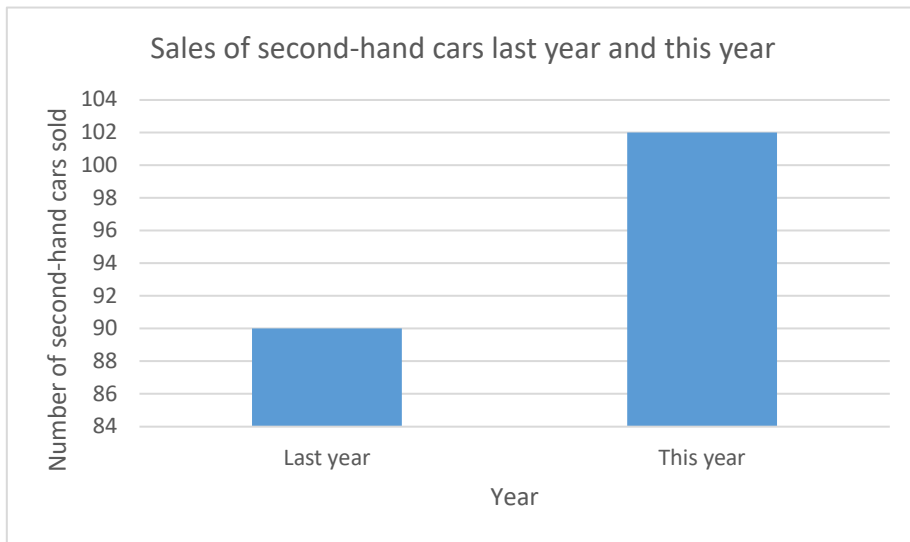A £300,000 ◯

B £900,000 ◯

C £1,400,000 ◯

D £1,600,000 ◯

[1 mark]

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0 3   A business gathers information regarding the population size of a specific area. Which of the following best describes the information collected?

A Marketing data ☐

B Market data ☐

C Financial data ☐

D Financial information ☐

[1 mark]

0 4   The graph below shows the increase in cars sales experienced by a second-hand car garage between last year and this year:

Which of the following is the correct percentage increase in the number of second-hand cars sold by the garage between last year and this year?

A 11.76% ☐

B 13.33% ☐

C 88.24% ☐

D 113.33% ☐

[1 mark]

0 5   The table below shows the annual sales revenue for Fred's Restaurant and the total yearly sales revenue for the restaurant market in which Fred's operates:
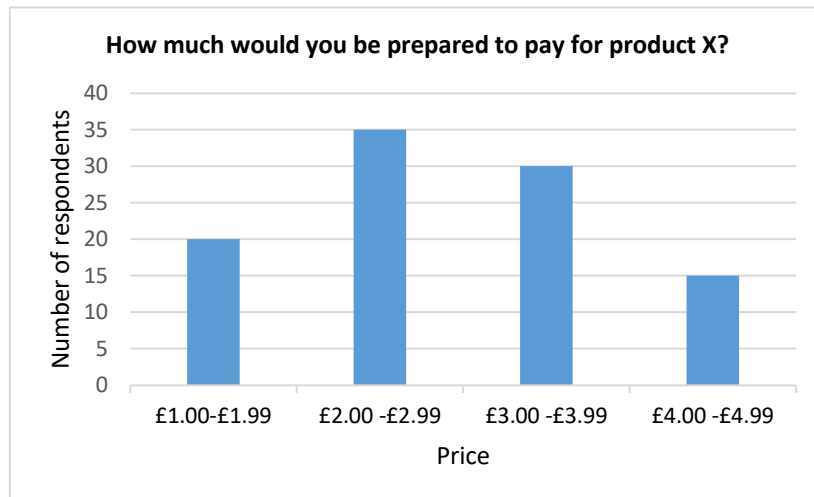
	Yearly sales revenue (£s)
Fred's Restaurant	300,000
Total restaurant market	1,750,000

Based on this information, Fred's Restaurant market share is:

A 14.63%   ☐

B 17.14%   ☐

C 82.86%   ☐

D 85.37%   ☐

[1 mark]

0 6   A business has conducted some market research into a suitable selling price that should be charged for product X. The results are shown below:

How much would you be prepared to pay for product X?

Based on the information above only, which price would be the most appropriate for the business to charge for product X?

A £1.00   ☐

B £2.50   ☐

C £3.05   ☐

D £4.75   ☐

[1 mark]

0 7 Last year a business had total costs of £235,000. This year the business experienced an 8% increase in total costs. Which of the following is the business's total cost figure for this year?

A £216,200 ☐

B £234,992 ☐

C £235,008 ☐

D £253,800 ☐

[1 mark]

0 8 The table below shows the number of surfboards sold by a business over an 8 week period.

Week	Number of surfboards sold
1	3
2	7
3	2
4	4
5	8
6	1
7	1
8	0

Based on this information, which of the following is the average weekly number of surfboards sold by the business?

A 0.31 ☐

B 3.25 ☐

C 3.71 ☐

D 4.5 ☐

[1 mark]

0 9 Which of the following is a problem that a business may experience when using financial data to make decisions? Figures are:

A Reliable ☐

B Unbiased ☐

C Accurate ☐

D Out of date ☐

[1 mark]

1 0   Which of the following is an example of marketing data?

         A   The level of unemployment in the UK

         B   Total spending on bicycles in Spain

         C   The sales figures of a business

         D   Total size of the UK cosmetics market

[1 mark]

1 1   Below is an extract from a business' accounts for last year:
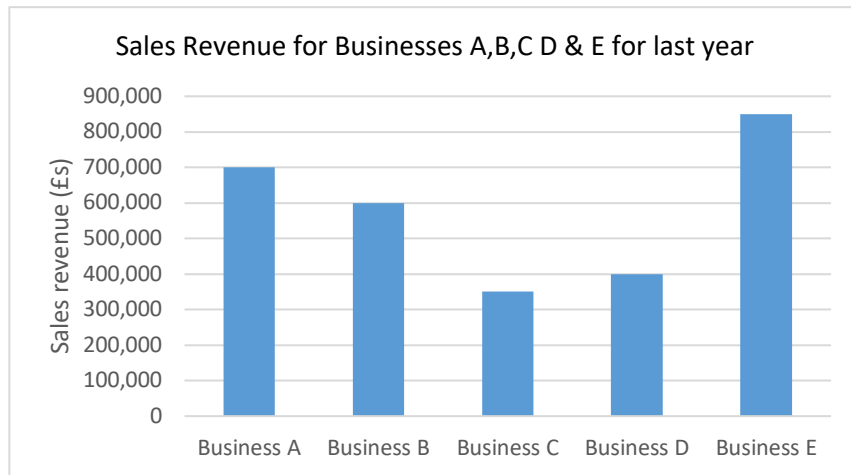
Selling price per unit (£)	15
Units sold	200,000
Variable cost per unit (£)	5
Fixed costs (£)	1,500,000

Based on this information, which of the following is the correct profit figure for the business for last year?

A £500,000   ☐

B £1,499,995   ☐

C £1,500,000   ☐

D £2,000,000   ☐

[1 mark]

1 2 The graph below shows the sales revenue for Businesses A, B, C, D and E for last year:

Sales Revenue for Businesses A,B,C D & E for last year

Based on the information above, which **two** of the following statements are true?

A Business A has a lower sales revenue than business E ☐

B Business E has the lowest sales revenue ☐

C Business C has a lower sales revenue than business E ☐

D Business A has the highest sales revenue ☐

E Business D has a higher sales revenue than business B ☐

[2 marks]

1 3 The table below shows selected financial data for Businesses X and Y for last year:

	Business X	**Business Y**
Sales revenue	56,500	75,400
Cost of sales	25,500	41,200
Other operating expenses and interest	12,500	19,000

Based on the information in the table above, which **two** of the following statements are true?

A Business X had a higher gross profit than business Y last year ☐

B Business X had a lower gross profit than business Y last year ☐

C Business Y had a higher net profit than business X last year ☐

D Business Y had a lower net profit than business X last year ☐

E Business X had a higher sales revenue than business Y last year ☐

[2 marks]

ANSWERS TO THIS MCQ TEST

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