1. Business and its environment

Starter Quiz · 课前小测

A-Level Business　　Name: ________　　Score: ____

1. Enterprise is best described as:
   - ☐ the willingness to take risks and combine resources to produce
   - ☐ the money invested in a business
   - ☐ the machinery a firm owns
   - ☐ the number of employees
2. A key purpose of a business plan is to:
   - ☐ help raise finance from banks or investors
   - ☐ guarantee the business will succeed
   - ☐ avoid paying any tax
   - ☐ remove all risk
3. Limited liability means shareholders:
   - ☐ can lose only the amount they invested
   - ☐ are liable for all the company's debts
   - ☐ cannot make a profit
   - ☐ own no shares
4. Which are ways to measure the size of a business? (Select all that apply.)
   - ☐ number of employees
   - ☐ revenue (turnover)
   - ☐ capital employed
   - ☐ the founder's age

   Tick every correct option.
5. Economies of scale occur when, as output rises:
   - ☐ average cost per unit falls
   - ☐ total cost falls
   - ☐ revenue falls
   - ☐ average cost rises
6. The most likely main objective of a brand-new business is:
   - ☐ survival

- ☐ profit maximisation
- ☐ global dominance
- ☐ paying dividends

7. A firm buys materials for 25 and sells the finished good for 70. What is the value added?

   ____

8. Which are sources of economies of scale? (Select all that apply.)

   - ☐ bulk-buying discounts (purchasing)
   - ☐ cheaper borrowing (financial)
   - ☐ specialist managers (managerial)
   - ☐ poor communication

   Tick every correct option.

9. Which words does SMART stand for? (Select all that apply.)

   - ☐ Specific
   - ☐ Measurable
   - ☐ Time-bound
   - ☐ Secret

   Tick every correct option.

10. Which can increase value added? (Select all that apply.)

    - ☐ strong branding
    - ☐ better design and quality
    - ☐ lower input costs
    - ☐ paying more for materials

    Tick every correct option.

A-Level Business

1. **the willingness to take risks and combine resources to produce**

   Enterprise is the risk-taking, organising factor — the entrepreneur.

2. **help raise finance from banks or investors**

   Lenders and investors expect a plan; it also clarifies the idea.

3. **can lose only the amount they invested**

   Their loss is capped at their investment.

4. **number of employees; revenue (turnover); capital employed**

   Employees, revenue and capital employed are standard size measures.

5. **average cost per unit falls**

   Average (per-unit) cost falls with greater scale.

6. **survival**

   New firms prioritise survival before profit or growth.

7. **45**

   Value added $= 70 - 25 = 45$.

8. **bulk-buying discounts (purchasing); cheaper borrowing (financial); specialist managers (managerial)**

   Poor communication is a diseconomy, not an economy.

9. **Specific; Measurable; Time-bound**

   SMART = Specific, Measurable, Achievable, Realistic, Time-bound.

10. **strong branding; better design and quality; lower input costs**

    Branding, quality and lower input costs all widen value added.