

IGCSE Business Studies

Name: _____ Score: _____

1. 6 workers produce 300 units a day. What is productivity (units per worker)?

2. Which is a fixed cost?
 - ☐ factory rent
 - ☐ raw materials
 - ☐ power used by machines
 - ☐ piece-rate wages
3. Quality control mainly involves:
 - ☐ inspecting finished products to catch faults
 - ☐ building quality into every stage
 - ☐ ignoring quality
 - ☐ cutting prices
4. For a high-street shop, the most important location factor is usually:
 - ☐ closeness to customers
 - ☐ closeness to a coal mine
 - ☐ a remote rural site
 - ☐ distance from all towns
5. Making a single, unique product to order is:
 - ☐ job production
 - ☐ batch production
 - ☐ flow production
 - ☐ lean production
6. Selling price is 12 and variable cost per unit is 8. What is the contribution per unit?

7. Quality assurance focuses on:
 - ☐ preventing faults at every stage
 - ☐ inspecting only at the end

☐ increasing waste

☐ lowering wages

8. Which are location factors? (Select all that apply.)

☐ transport links

☐ labour costs

☐ government incentives

☐ the owner's favourite colour

Tick every correct option.

9. Fixed costs are 1,600 and contribution per unit is 4. What is the break-even output (units)?

10. Why does quality matter to a business? (Select all that apply.)

☐ it builds reputation

☐ it keeps customers loyal

☐ it reduces waste and returns

☐ it raises raw-material costs

Tick every correct option.

1. **50**

$300 \div 6 = 50$ units per worker.

2. **factory rent**

Rent does not change with output — a fixed cost.

3. **inspecting finished products to catch faults**

QC inspects the end product.

4. **closeness to customers**

Shops need footfall — closeness to customers.

5. **job production**

Job production makes one bespoke item at a time.

6. **4**

$\text{Contribution} = 12 - 8 = 4$.

7. **preventing faults at every stage**

QA designs quality in so faults do not occur.

8. **transport links; labour costs; government incentives**

Transport, costs and incentives matter; the last does not.

9. **400**

$\text{Break-even} = 1,600 \div 4 = 400$ units.

10. **it builds reputation; it keeps customers loyal; it reduces waste and returns**

Quality builds reputation and loyalty and cuts waste; it does not raise material costs.