

1.5.5 Edexcel Business

Edexcel GCSE Business

1.5.5 External influences

Multiple Choice Question Test Bank

MCQ Test 5

This MCQ test contains 13 questions covering the specification content for 1.5.5: External influences

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 Changes in which of the following external influences is most likely to have led to the development of online businesses such as travel agents?

- A Technology
- B Interest rates
- C Legislation
- D Exchange rates

[1 mark]

0 2 Which of the following best describes the term economic climate?

- A Factors inside the business that influence its activities
- B The measurement of whether the production and consumption of goods is strong or poor in a specific country or region
- C Government rules and regulations that affect business activity
- D Buying and selling goods electronically

[1 mark]

0 3 When the economic climate is strong, businesses that have high demand for their products are likely to:

- A Hire fewer staff and invest more
- B Hire fewer staff and invest less
- C Hire more staff and invest more
- D Hire more staff and invest less

[1 mark]

0 4 If the pound becomes weaker, a UK importer may experience:

- A An increase in sales and costs
- B A decrease in sales and costs
- C An increase in sales and a decrease in costs
- D A decrease in sales and an increase in costs

[1 mark]

0 5 Rising inflation is an example of a change in:

- A Legislation
- B Technology
- C Government taxation
- D The economic climate

[1 mark]

0 6 Legislation designed to reduce landfill aims to encourage businesses to:

- A Decrease their levels of recycling and send more to landfill
- B Decrease their levels of recycling and send less to landfill
- C Increase their levels of recycling and send more to landfill
- D Increase their levels of recycling and send less to landfill

[1 mark]

0 7 A business that operates in a competitive environment is most likely to reduce prices when the economic climate is:

- A Weak and consumer spending is high
- B Weak and consumer spending is low
- C Strong and consumer spending is high
- D Strong and consumer spending is low

[1 mark]

0 8 Changes in which external influence has meant that UK businesses have to pay employees the national minimum wage?

- A Technology
- B Economic climate
- C Legislation
- D Changes in lifestyle

[1 mark]

0 9 As unemployment levels fall, in order to recruit the best staff, businesses might respond by:

- A Decreasing wage rates to reduce costs
- B Decreasing wage rates to reduce profit levels
- C Increasing wage rates to increase staff retention
- D Increasing wage rates to lower staff retention

[1 mark]

1 0 When the economic climate is weak, businesses which are experiencing a fall demand for their products might:

- A Reduce prices and spend less on product development
- B Reduce prices and spend more on product development
- C Increase prices and spend less on product development
- D Increase prices and spend more on product development

[1 mark]

1 1 If the pound becomes stronger, a UK exporter may experience:

- A A decline in sales
- B An increase in profits
- C A reduction in costs
- D An increase in sales

[1 mark]

- 1 2** In which two of the following situations is a business most likely to increase its prices?
Select **two** answers:

When:

- A Interest rates are rising
- B Employment levels are falling
- C Interest rates are falling
- D Unemployment levels are rising
- E Employment levels are rising

[2 marks]

- 1 3** The economic climate can influence business activity. Which two of the following businesses are most likely to experience a decrease in demand as consumer incomes rise?
Select **two** answers:

- A A budget gym
- B A designer clothes store
- C A new car dealership
- D A discount supermarket
- E An upmarket restaurant

[2 marks]

ANSWERS TO THIS MCQ TEST

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