

2.1.3 Edexcel Business

Edexcel GCSE Business

2.1.3 Business and globalisation

Multiple Choice Question Test Bank

MCQ Test 3

This MCQ test contains 13 questions covering the specification content for 2.1.3: Business and globalisation

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 best describes the term globalisation?

- A Goods purchased from overseas by UK businesses and consumers
- B The process by which the world is increasingly becoming one market
- C When a business produces goods in more than one country
- D When goods and services are made in one country and sold in another

[1 mark]

0 2 ASEAN (Association of South East Asian Nations) is an example of which of the following?

- A Tariff
- B Import
- C Trade bloc
- D Export

[1 mark]

0 3 Imports are a feature of global markets. Which of the following is an example of a UK import?

- A A lamp made in China is sold to UK customers
- B A vase made in Spain is sold to customers in Spain
- C A table made in the UK is sold to customers in Germany
- D A kettle made in the UK is sold to UK customers

[1 mark]

- 0 4** Exchange rates are important to businesses that trade globally. Which of the following is true if a country's currency becomes stronger?
- A Bad for business that exports as goods are more expensive overseas
 - B Bad for consumers as prices of imports will increase
 - C Bad for business that exports as goods are less expensive overseas
 - D Bad for business that imports raw materials as prices will increase
- [1 mark]

- 0 5** A UK business extends its delivery service to include overseas markets. This is an example of changing which element of the marketing mix to compete internationally?
- A Product
 - B Price
 - C Promotion
 - D Place
- [1 mark]

- 0 6** A UK business might relocate operations abroad in order to:
- A Benefit from higher labour costs
 - B Avoid import tariffs
 - C Build a factory on more expensive land
 - D Avoid bad publicity created through the closure of UK factories
- [1 mark]

- 0 7** Which of the following is a benefit to UK businesses of globalisation?
- A Being vulnerable to the world economic climate
 - B Increased competition can lead to business failure
 - C Access to new and bigger markets
 - D Multinational firms are increasingly powerful
- [1 mark]

0 8 Which of the following best describes the term imports?

- A Goods produced by UK businesses and purchased by other UK businesses
- B Goods purchased from overseas by UK businesses and consumers
- C Goods produced by a business in one country and sold in another
- D Goods purchased by UK businesses from other UK producers

[1 mark]

0 9 Which of the following best describes the term multinationals?

- A Goods made in one country and then sold to a different country
- B Businesses that have operations in more than one country
- C Goods or services that are bought from overseas
- D Businesses that only have operations in one country

[1 mark]

1 0 A multinational business reduces the amount charged for products sold in a country with lower than average income levels. Which element of the marketing mix has been changed to help the business compete internationally?

- A Product
- B Price
- C Promotion
- D Place

[1 mark]

1 1 Which of the following is true in relation to tariffs?

- A Buyers might be encouraged to purchase home produced goods instead of imports if a tariff is imposed on imported goods
- B Tariffs restrict the number of imports a country can receive in a particular time period
- C Tariffs discourage trade between countries that are members of a trade bloc
- D When a tariff is imposed on imported goods they will become cheaper in that market

[1 mark]

1 2 Which **two** of the following are drawbacks to independent UK businesses of globalisation?

- A Increased competition from overseas businesses
- B Costs can be reduced through the use of cheaper labour
- C Global brands can dominate markets
- D Opportunity to increase sales
- E Access to cheaper raw materials

[2 marks]

1 3 Which **two** of the following businesses are acting as exporters?

- A A UK retailer buys goods from overseas suppliers to sell in the UK
- B A UK supermarket buys milk from UK farmers to sell in its UK stores
- C A UK based car manufacturer sell cars to the Japanese market
- D A UK confectionery business buys cocoa from abroad to produce chocolate bars in the UK
- E A UK mountain bike producer sells its products to the USA

[2 marks]

ANSWERS TO THIS MCQ TEST

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