

A-Level Business

Name: _____ Score: _____

1. During a recession, most businesses experience:
 - ☐ rising demand
 - ☐ higher profits
 - ☐ labour shortages
 - ☐ falling demand and lower sales
2. A rise in the tax on company profits is likely to:
 - ☐ increase the profit a firm keeps
 - ☐ raise consumer spending
 - ☐ lower the firm's costs
 - ☐ reduce the profit a firm keeps
3. In a SWOT analysis, opportunities and threats are:
 - ☐ always financial
 - ☐ external factors
 - ☐ internal factors
 - ☐ the same as strengths
4. A rise in interest rates is likely to:
 - ☐ reduce consumer spending and borrowing
 - ☐ lower the firm's costs
 - ☐ raise demand
 - ☐ increase borrowing
5. Which letters of PESTLE are correctly matched? (Select all that apply.)
 - ☐ L = Legal
 - ☐ E = Economic
 - ☐ T = Taxation
 - ☐ P = Political

Tick every correct option.

6. Which are INTERNAL factors in SWOT? (Select all that apply.)
 - ☐ opportunities

- ☐ strengths
- ☐ weaknesses
- ☐ threats

Tick every correct option.

7. A stronger domestic currency makes a firm's exports:
- ☐ more expensive abroad
 - ☐ tax-free
 - ☐ cheaper abroad
 - ☐ unchanged in price
8. PESTLE factors are part of the external environment that a firm cannot directly control.
- ☐ True ☐ False
9. A SWOT analysis is only useful if the business acts on its findings.
- ☐ True ☐ False
10. Inflation tends to lower a firm's costs and raise customers' real spending power.
- ☐ True ☐ False

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1. **falling demand and lower sales**

A recession cuts demand and sales for most firms.

2. **reduce the profit a firm keeps**

Higher profit tax leaves the firm with less.

3. **external factors**

Opportunities and threats are external; strengths and weaknesses are internal.

4. **reduce consumer spending and borrowing**

Dearer borrowing cuts spending and demand.

5. **L = Legal; E = Economic; P = Political**

T stands for Technological, not Taxation.

6. **strengths; weaknesses**

Strengths and weaknesses are internal; opportunities and threats are external.

7. **more expensive abroad**

A strong currency raises the foreign price of exports.

8. **True**

Firms can anticipate and adapt, but not control them.

9. **True**

Analysis without action changes nothing.

10. **False**

False. Inflation tends to raise a firm's costs (materials, wages) and reduce customers' real spending power, so both sides squeeze the business.