

GAC Business

Name: _____ Score: _____

1. A sole trader's business fails owing money. What can creditors reach?
 - ☐ Personal assets too, because liability is unlimited
 - ☐ Only the initial investment
 - ☐ Nothing
 - ☐ Only the business assets
2. A bakery buys a delivery bicycle instead of a second oven. What is the opportunity cost?
 - ☐ All business costs
 - ☐ The price of the bicycle
 - ☐ The bakery building
 - ☐ The second oven it gave up
3. Which is an internal change?
 - ☐ A new competitor opens
 - ☐ The government changes a law
 - ☐ An experienced manager resigns
 - ☐ Interest rates rise
4. Which is a measurable objective?
 - ☐ Cut average waiting time to six minutes by June
 - ☐ Make customers happy
 - ☐ Become better
5. What must a manager still hold after delegating a task?
 - ☐ Accountability for the final result
 - ☐ Every small decision
 - ☐ No responsibility at all
6. A trade union's role is to represent workers' interests.
 - ☐ True ☐ False
7. A survey of only café employees is strong evidence about student demand.
 - ☐ True ☐ False

8. Which are factors of production? Choose all that apply.

- ☐ Land
- ☐ Profit
- ☐ Labour
- ☐ Capital

Tick every correct option.

9. Demand means that consumers are both willing and able to buy at a stated price.

- ☐ True
- ☐ False

10. Any new idea is useful innovation.

- ☐ True
- ☐ False

GAC Business

1. **Personal assets too, because liability is unlimited**

This is the most consequential difference between business forms, and why limited companies exist.

2. **The second oven it gave up**

Opportunity cost is the next best alternative, not every cost or the money paid.

3. **An experienced manager resigns**

The manager belongs to the business; the other events begin outside it.

4. **Cut average waiting time to six minutes by June**

It has a measure and a deadline, so the firm can review it.

5. **Accountability for the final result**

Authority can be shared, but accountability stays with the manager.

6. **True**

Representation can involve negotiation or cooperation as well as disagreement.

7. **False**

The sample does not match the target market.

8. **Land; Labour; Capital**

Profit is a result of combining them, not one of the inputs. Enterprise is the fourth.

9. **True**

Wanting an item without being able to pay for it is not demand in this model.

10. **False**

Innovation must solve a real problem for the firm or its customers.