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

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   ☐ 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

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.

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