HOLIDAY HOMEWORK 假期作业

# IGCSE Business Studies

Exercise sheets and past-paper practice, topic by topic.
每个单元：练习卷 + 历年真题。

For class or self-study • no answer keys included.

## Contents 目录

# 1 What business is for – Part 1

Name: ____________ Class: ________ Date: __________

## Vocabulary 词汇

*Write each word three times.* 把每个单词抄写三遍。

| English | 中文 | Write it 3 times (English) | | |
|---|---|---|---|---|
| business | 企业 | | | |
| goods | 商品 | | | |
| services | 服务 | | | |
| factors of production | 生产要素 | | | |
| primary sector | 第一产业 | | | |
| secondary sector | 第二产业 | | | |
| tertiary sector | 第三产业 | | | |

## Recall

A **business** 企业 makes **goods** 商品 or provides **services** 服务 to meet people's needs and wants.

## New ideas

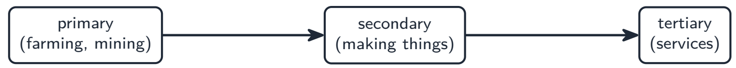
Read these first, then do the Practice.

### 1 What business is for




A business uses **factors of production** 生产要素 (land, labour, capital) to do this.

### 2 The three sectors




- the **primary sector** 第一产业 takes raw materials from nature;
- the **secondary sector** 第二产业 makes products;
- the **tertiary sector** 第三产业 provides services.

**Watch out:** a **good** is a physical product you can touch; a **service** is an action done for you. The three sectors run **primary** (raw materials) → **secondary** (making things) → **tertiary** (services) — know which is which.

## Practice

Try these in order.

**1.1** What is the purpose of a business? [1]

**1.2** What is the difference between a good and a service? [2]

**1.3** Which sector does farming belong to? [1]

**1.4** Which sector does a car factory belong to? [1]

**1.5** Give one example of a tertiary-sector business. [1]

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**1.6 Challenge.** A loaf of bread reaches a shopper through three sectors. Name the sector for each: (a) the farmer growing the wheat, (b) the bakery baking the bread, (c) the shop selling it. [3]





**1** Avtar owns a car repair business which operates in the private sector. It is a small business with 2 full-time employees. Avtar wants to find out the best way for a business to increase added value. Avtar's business needs finance for many reasons. Avtar wants to know how an economic recession might affect his business.

**(a)** Identify **two** features of a private sector business.

Feature 1: ..........................................................................................................................

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Feature 2: ..........................................................................................................................

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**(b)** Identify **two** reasons why a business might remain small.

Reason 1: ..........................................................................................................................

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Reason 2: ..........................................................................................................................

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**(c)** Outline **one** reason why Avtar might need each of the following types of finance:

Short-term finance: ..........................................................................................................

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Long-term finance: ..........................................................................................................

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**(d)** Explain **two** ways an economic recession might affect Avtar's business.

Way 1: ..............................................................................................................

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Explanation: ..............................................................................................................

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Way 2: ..............................................................................................................

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Explanation: ..............................................................................................................

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**(e)** Explain **two** ways a business can increase added value. Which is likely to be the best way for a business to use? Justify your answer.

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**3** Hal wants to be a successful entrepreneur. He plans to leave his job to start up a bakery. The bakery will operate in the private sector. The business will have many stakeholder groups. Hal has been told it is important for a new business to select an appropriate source of start-up capital. He also knows new businesses are at a greater risk of failure.

**(a)** Define 'private sector'.

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**(b)** Identify **two** reasons why new businesses are at a greater risk of failure.

Reason 1: ..............................................................................................................

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Reason 2: ..............................................................................................................

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**(c)** Identify **four** stakeholder groups a business might have.

Stakeholder 1: ..............................................................................................................

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Stakeholder 2: ..............................................................................................................

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Stakeholder 3: ..............................................................................................................

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Stakeholder 4: ..............................................................................................................

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**(d)** Explain **two** characteristics Hal will need to become a successful entrepreneur.

Characteristic 1: ..........................................................................................................

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Explanation: ..........................................................................................................

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Characteristic 2: ..........................................................................................................

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Explanation: ..........................................................................................................

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**(e)** Do you think a bank loan is the best source of start-up capital for a new business? Justify your answer.

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# 1 Owners and stakeholders – Part 2

Name: ____________ Class: ________ Date: __________

## Vocabulary 词汇

*Write each word three times.* 把每个单词抄写三遍。

| English | 中文 | Write it 3 times (English) | | |
|---|---|---|---|---|
| limited liability | 有限责任 | | | |
| stakeholder | 利益相关者 | | | |

## Recall

Businesses can be owned in different ways, and many groups have an interest in them.

## New ideas

Read these first, then do the Practice.

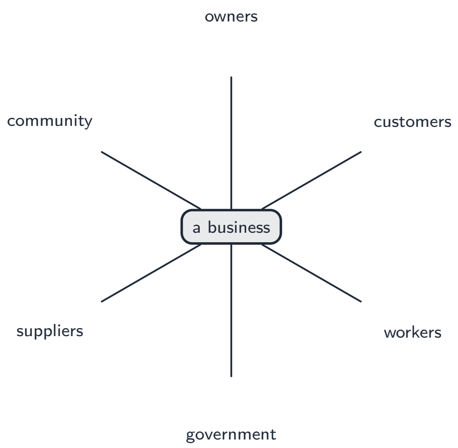
### 1 Types of business

| | |
|---|---|
| sole trader | one owner |
| partnership | 2–20 owners |
| private company | limited liability |

A company has **limited liability** 有限责任 — the owners can only lose what they put in, not their personal possessions.

### 2 Stakeholders

A **stakeholder** 利益相关者 is anyone with an interest in a business:




**Watch out: limited liability** means the owners can only lose what they *invested*, not their personal possessions — a key advantage of a company. A **stakeholder** is *anyone* with an interest in the business (owners, workers, customers, government…), not just the owners.

## Practice

Try these in order.

**1.6** What is a *sole trader*? [1]

**1.7** How many owners can a partnership usually have? [1]

**1.8** What does *limited liability* mean? [2]

**1.9** What is a *stakeholder*? [1]



**1.10** Give two examples of stakeholders in a business. [2]

**1.11 Challenge.** A new café opens. Explain why (a) its customers and (b) the local community are both stakeholders. [2]

**1** **(a)** Explain **four** reasons why a business might remain small.

Reason 1: ..............................................................................................................

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Reason 2: ..............................................................................................................

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Reason 3: ..............................................................................................................

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Reason 4: ..............................................................................................................

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**(b)** Consider the following **three** roles of packaging for CC's products. Which role is most important for CC? Justify your answer.

- Protecting the product
- Promoting the brand image
- Providing information about the product

Protecting the product: ..............................................................................................................

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Promoting the brand image: ..............................................................................................................

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Providing information about the product: ..............................................................................................................

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Conclusion: ..............................................................................................................

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1 **(a)** Explain **two** advantages and **two** disadvantages of BB being a public limited company.

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Advantage 2: ....................................................................................................................

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Disadvantage 1: ................................................................................................................

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Disadvantage 2: ................................................................................................................

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Name: IGCSE Business Studies: **w24 22**

**(b)** Consider the advantages and disadvantages of the following **three** methods BB could use to motivate its production workers. Which method should BB use? Justify your answer.

- Piece rate
- Teamworking
- Job rotation

Piece rate: .......................................................................................................................

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Teamworking: ...................................................................................................................

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Job rotation: .....................................................................................................................

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Recommendation: .............................................................................................................

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**2** **(a)** Explain **one** objective each of the following TSE stakeholder groups might have.

Shareholders: ....................................................................................................................

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Suppliers: ..........................................................................................................................

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Employees: ........................................................................................................................

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Customers: ........................................................................................................................

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**(b)** Consider the following **two** ways TSE could use to increase efficiency. Which way should TSE use? Justify your answer.

- Improving labour skills
- Increasing automation and technology

Improving labour skills: ......................................................................................................

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Increasing automation and technology: ............................................................................

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Recommendation: ..............................................................................................................

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# 2 Motivating workers – Part 1

Name: ____________ Class: ________ Date: __________

## Vocabulary 词汇

*Write each word three times.* 把每个单词抄写三遍。

| English | 中文 | Write it 3 times (English) |
|---|---|---|
| Motivation | 激励 | |
| staff turnover | 员工流失率 | |
| Maslow | 马斯洛 | |
| pay | 工资 | |

## Recall

**Motivation** 激励 is what makes workers want to work hard. Motivated workers are more productive.

## New ideas

Read these first, then do the Practice.

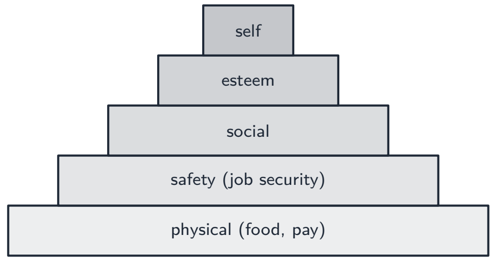
### ■ 1 Why motivation matters


Motivated workers also stay longer (lower **staff turnover** 员工流失率) and produce better quality.



### ■ 2 Maslow's needs

**Maslow** 马斯洛 said people have a ladder of needs, from basic to higher:




A business can motivate workers by meeting these needs (e.g. fair **pay** 工资, job security, praise).

**Watch out: motivated** workers give a business higher output, better quality and lower **staff turnover**. Workers can be motivated by money (pay, bonus, piece-rate) *or* without money (praise, promotion, responsibility).

## Practice

Try these in order.

**2.1** What is *motivation*? [1]

**2.2** Give one benefit to a business of having motivated workers. [1]

**2.3** What is at the bottom of Maslow's pyramid? [1]

**2.4** Give one way a business can motivate workers with money. [1]

**2.5** Give one way to motivate workers **without** money. [1]

**2.6 Challenge.** A factory has high staff turnover and poor-quality work. Suggest one **financial** and one **non-financial** way to motivate its workers, and explain how each helps. [3]





1 **(a)** Explain **one** way each of the following problems might affect TSE when entering a new market in another country.

Cultural differences: ..........................................................................................................

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Explanation: ..........................................................................................................

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Lack of knowledge: ..........................................................................................................

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Explanation: ..........................................................................................................

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[8]

**(b)** Consider the following **two** benefits for TSE of having a well-motivated workforce. Which benefit is likely to be the most important to TSE? Justify your answer.

- Reduced absenteeism
- Lower labour turnover

Reduced absenteeism: ..................................................................................................................

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Lower labour turnover: ..................................................................................................................

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Conclusion: ..................................................................................................................

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**2** **(a)** Explain **two** functions of management for CC's new manager.

Function 1: ..................................................................................................................

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Explanation: ..................................................................................................................

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Function 2: ..................................................................................................................

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Explanation: ..................................................................................................................

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**(b)** Consider how a decrease in interest rates and an increase in taxes in country P could affect CC. Which is likely to have the biggest effect on CC's profit? Justify your answer.

Decrease in interest rates: ..........................................................................................

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Increase in taxes: ..........................................................................................

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Conclusion: ..........................................................................................

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# 2 Structure and recruitment – Part 2

Name: ____________ Class: ________ Date: __________

## Vocabulary 词汇

*Write each word three times.* 把每个单词抄写三遍。

| English | 中文 | Write it 3 times (English) | | |
|---|---|---|---|---|
| organisation chart | 组织结构图 | | | |
| responsibility | 责任 | | | |
| authority | 权力 | | | |
| Recruitment | 招聘 | | | |

## Recall

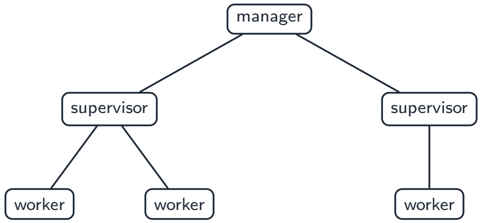
A business organises its people into a structure, and must hire the right ones.

## New ideas

Read these first, then do the Practice.

■ **1 Organisation chart**

An **organisation chart** 组织结构图 shows who reports to whom:




Higher up means more **responsibility** 责任 and **authority** 权力.

■ **2 Recruitment**

**Recruitment** 招聘 is finding and hiring new workers:


**Watch out:** on an **organisation chart**, higher up means more **responsibility** and **authority**. **Recruitment** runs in order: advertise → applications → shortlist → interview → appoint.

## Practice

Try these in order.

**2.6** What does an organisation chart show? [1]

**2.7** Who has more authority — a manager or a worker? [1]

**2.8** What is *recruitment*? [1]

**2.9** What is usually the first step in recruiting? [1]



**2.10** Why might a business interview applicants? [1]

**2.11 Challenge.** Put these recruitment steps in the right order: interview, job advert, shortlist, appoint, applications. [3]

**1** **(a)** Explain **two** advantages and **two** disadvantages to Jemi of buying a franchise.

Advantage 1: ..........................................................................................................

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Advantage 2: ..........................................................................................................

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Disadvantage 1: ..........................................................................................................

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Disadvantage 2: ..........................................................................................................

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**(b)** Using Appendix 1 and other information, consider the following **two** applicants for the position of chef at Jemi's new restaurant. Which applicant should Jemi employ? Justify your answer.

- Tianna
- Vea

Tianna: ..........................................................................................................

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Vea: ..........................................................................................................

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Recommendation: ..........................................................................................................

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4 **(a)** Explain **two** factors LB's managers should consider when deciding which method of communication to use to inform its employees about the expansion plans.

Factor 1: ....................................................................................................................

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Explanation: ....................................................................................................................

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Factor 2: ....................................................................................................................

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Explanation: ....................................................................................................................

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**(b)** Using Appendix 3 and other information, consider the benefits and drawbacks for country Y of LB building its new factory there. Do you think the benefits for country Y are greater than the drawbacks? Justify your answer.

Benefits: ....................................................................................................................

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Drawbacks: ....................................................................................................................

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Conclusion: ....................................................................................................................

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# 3 Marketing and research – Part 1

Name: ________ Class: ________ Date: ________

## Vocabulary 词汇

*Write each word three times.* 把每个单词抄写三遍。

| English | 中文 | Write it 3 times (English) | | |
|---|---|---|---|---|
| Marketing | 市场营销 | | | |
| Market research | 市场调研 | | | |
| primary research | 一手调研 | | | |
| secondary research | 二手调研 | | | |
| marketing mix | 营销组合 | | | |

## Recall

**Marketing** 市场营销 means understanding customers and meeting their needs in order to sell a product.

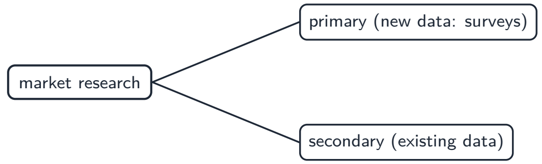
## New ideas

Read these first, then do the Practice.

### ■ 1 Market research

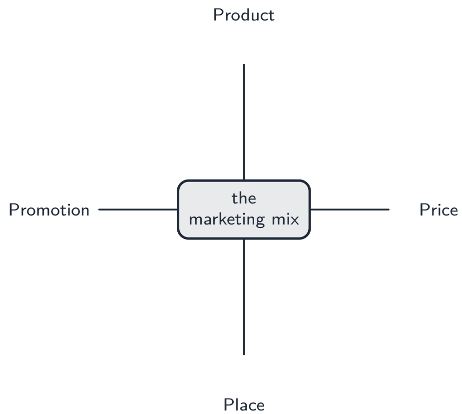
**Market research** 市场调研 finds out what customers want:






- **primary research** 一手调研 collects new data (surveys, questionnaires);
- **secondary research** 二手调研 uses data that already exists.

### ■ 2 The marketing mix (4 Ps)




The **marketing mix** 营销组合 is the four Ps: **Product**, **Price**, **Place** (where it is sold) and **Promotion** (advertising).

**Watch out: primary** research collects *new* data (surveys, questionnaires); **secondary** research uses data that *already exists* — don't mix them up. The marketing mix is the **4 Ps**: Product, Price, Place, Promotion.

## Practice

Try these in order.

**3.1** What is *market research* for? [1]

**3.2** What is the difference between primary and secondary research? [2]

**3.3** Give one example of primary research. [1]

**3.4** Name the four Ps of the marketing mix. [2]

**3.5** Which "P" means advertising? [1]

**3.6** **Challenge.** A new sports drink is being launched. Give one decision the business must make for **each** of the four Ps. [4]





**2** **(a)** Explain **two** benefits of market segmentation for VV.

Benefit 1: ....................................................................................................

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Explanation: ....................................................................................................

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Benefit 2: ....................................................................................................

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Explanation: ....................................................................................................

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**(b)** Using Appendix 2 and other information, consider the following **three** possible locations for Jemi's new restaurant. Which location should Jemi choose? Justify your answer.

- Location A
- Location B
- Location C

Location A: ..................................................................................................................

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Location B: ..................................................................................................................

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Location C: ..................................................................................................................

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Recommendation: ..................................................................................................................

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# 3 Life cycle and segments – Part 2

Name: ____________ Class: ________ Date: __________

## Vocabulary 词汇

*Write each word three times.* 把每个单词抄写三遍。

| English | 中文 | Write it 3 times (English) | | |
|---|---|---|---|---|
| introduction | 引入期 | | | |
| growth | 成长期 | | | |
| maturity | 成熟期 | | | |
| decline | 衰退期 | | | |
| Market segmentation | 市场细分 | | | |

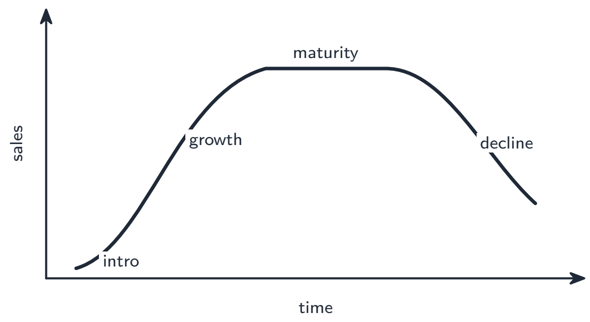
## Recall

A product passes through stages over time, and a market can be split into groups.

## New ideas

Read these first, then do the Practice.

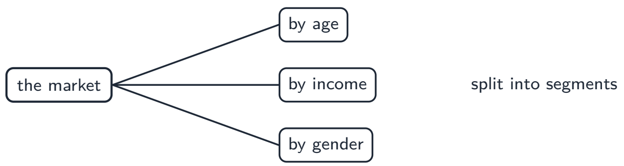
> ■ **1 The product life cycle**




- **introduction** 引入期 — the product launches; sales are low;
- **growth** 成长期 — sales rise fast;
- **maturity** 成熟期 — sales level off;
- **decline** 衰退期 — sales fall.

### 2 Market segments

**Market segmentation** 市场细分 splits customers into groups (e.g. by age or income), so a business can target them:




**Watch out:** the product life cycle runs **introduction** → **growth** → **maturity** → **decline** — sales are low, then rise fast, level off, then fall. **Market segmentation** splits customers into groups (by age, income...) so they can be targeted.

## Practice

Try these in order.

**3.6** Name the four stages of the product life cycle. [2]



**3.7** In which stage do sales rise the fastest? [1]

**3.8** What happens to sales in the decline stage? [1]

**3.9** What is *market segmentation*? [1]

**3.10** Give one way a market can be segmented. [1]

**3.11 Challenge.** A product's sales have levelled off and started to fall. Name the two life-cycle stages this describes, and suggest one thing the business could do to boost sales. [3]

**3** **(a)** Explain **four** ways market research information can help a business.

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Way 2: ..........................................................................................................................................

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Way 3: ..........................................................................................................................................

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Way 4: ..........................................................................................................................................

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[8]





**(b)** Consider the following **two** ways TSE could purchase the raw materials for its factories. Which way should TSE use? Justify your answer.

- Head office in country P continues to purchase the raw materials for all TSE factories
- TSE's factory managers in each country purchase raw materials locally

Head office in country P continues to purchase the raw materials for all TSE factories: ..........

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TSE's factory managers in each country purchase raw materials locally: ................................

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Recommendation: ..........................................................................................................................................

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[12]

**2** **(a)** Explain **two** effects of BB having a short chain of command.

Effect 1: ..........

Explanation: ..........

Effect 2: ..........

Explanation: ..........

[8]





**(b)** Consider the following **three** extension strategies BB could use for its best-selling product. Which strategy should BB use? Justify your answer.

- Adding new features
- Start selling in toy shops
- Television advertising campaign

Adding new features: ..........

Start selling in toy shops: ..........

Television advertising campaign: ..........

Recommendation: ..........

[12]

# 4 Production and costs – Part 1

Name: ____________ Class: ________ Date: __________

## Vocabulary 词汇

*Write each word three times.* 把每个单词抄写三遍。

| English | 中文 | Write it 3 times (English) | | |
|---|---|---|---|---|
| Production | 生产 | | | |
| job production | 单件生产 | | | |
| batch production | 批量生产 | | | |
| flow production | 流水线生产 | | | |
| fixed costs | 固定成本 | | | |
| variable costs | 可变成本 | | | |

## Recall

**Production** 生产 turns inputs into finished goods. It can be done in different ways, and it costs money.

## New ideas

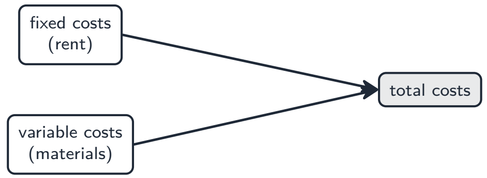
Read these first, then do the Practice.

### 1 Methods of production

| | |
|---|---|
| job | one unique item (a wedding cake) |
| batch | groups of the same (bread) |
| flow | continuous mass production (cars) |

- **job production** 单件生产 makes one unique item at a time;
- **batch production** 批量生产 makes groups of the same item;
- **flow production** 流水线生产 makes a continuous stream (mass production).

### 2 Costs




- **fixed costs** 固定成本 stay the same however much you make (e.g. rent);
- **variable costs** 可变成本 change with output (e.g. materials).

**Watch out:** match the method to the need — **job** (one unique item), **batch** (groups), **flow** (continuous mass production). **Fixed costs** stay the same whatever the output (rent); **variable costs** change with output (materials).

## Practice

Try these in order.

**4.1** What is *job production*? [1]

**4.2** Which method makes a continuous stream of identical goods? [1]

**4.3** Give one example of a fixed cost. [1]

**4.4** Give one example of a variable cost. [1]

**4.5** Fixed costs + variable costs = ? [1]

**4.6 Challenge.** A bakery pays $500 rent a week and $2 of ingredients per cake. Find its total cost in a week when it makes 300 cakes. [3]





**3 (a)** Explain **two** benefits and **two** limitations of CC using batch production.

Benefit 1: ..........................................................................................................................

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Benefit 2: ..........................................................................................................................

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Limitation 1: ..........................................................................................................................

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Limitation 2: ..........................................................................................................................

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**(b)** Consider the **two** options for CC's new cookies outlined in Appendix 3. Which option should CC choose to produce? Justify your answer using appropriate calculations.

Option 1: ..........................................................................................................................

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Option 2: ..........................................................................................................................

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Recommendation: ..........................................................................................................................

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**1** FBM is a boat building business. It has 100 skilled employees. The Operations Director is concerned that FBM holds a high level of inventory. She is also concerned that the business is starting to experience diseconomies of scale. The Finance Director has been asked to analyse FBM's cost and output data. An extract is shown in Table 1.1.

**Table 1.1**

| **Extract from FBM's cost and output data** | |
|---|---|
| Variable costs per unit | $5000 |
| Fixed costs per year | $600 000 |
| Number of boats made each year | 300 |

**(a)** Define 'diseconomies of scale'.

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**(b)** Identify **two** ways a business can use cost data to help make decisions.

Way 1: ..........................................................................................................................

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Way 2: ..........................................................................................................................

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**(c)** Identify **four** fixed costs a business might have.

Fixed cost 1: ..........................................................................................................................

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Fixed cost 2: ..........................................................................................................................

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Fixed cost 3: ..........................................................................................................................

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Fixed cost 4: ..........................................................................................................................

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**(d)** Explain **one** advantage and **one** disadvantage to FBM of holding a high level of inventory.

Advantage: ..........................................................................................................

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Explanation: ..........................................................................................................

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Disadvantage: ..........................................................................................................

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Explanation: ..........................................................................................................

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**(e)** Do you think customers have a more important role in the success of a business than its employees? Justify your answer.

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# 4 Break-even – Part 2

Name: ____________ Class: ________ Date: __________

## Vocabulary 词汇

*Write each word three times.* 把每个单词抄写三遍。

| English | 中文 | Write it 3 times (English) | | |
|---|---|---|---|---|
| break-even point | 盈亏平衡点 | | | |
| revenue | 收入 | | | |
| costs | 成本 | | | |
| loss | 亏损 | | | |
| profit | 利润 | | | |

## Recall

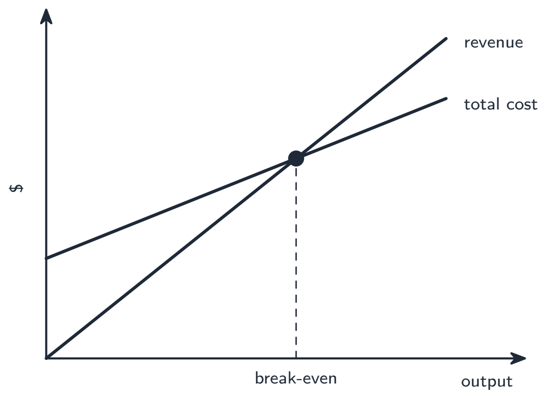
A business breaks even when it makes neither a profit nor a loss.

## New ideas

Read these first, then do the Practice.

### 1 The break-even chart

The **break-even point** 盈亏平衡点 is the output where total **revenue** 收入 equals total **costs** 成本:




## ■ 2 Profit and loss

break-even: total cost = revenue

sell fewer → a loss

sell more → a profit

- selling **fewer** than the break-even amount → a **loss** 亏损;
- selling **more** → a **profit** 利润.

**Watch out:** the **break-even point** is where total **revenue** equals total **costs** (no profit, no loss). Sell *below* it → a **loss**; *above* it → a **profit**. Profit = total revenue − total costs.

## Practice

Try these in order.

**4.6** What is the *break-even point*? [1]



**4.7** On a break-even chart, which two lines cross at the break-even point? [2]

**4.8** If a business sells fewer than the break-even amount, what does it make? [1]

**4.9** What is *profit*? [1]

**4.10** How can a business work out its profit? [1]

**4.11 Challenge.** A business sells 1000 items at $5 each. Its total costs are $4000. Calculate its revenue and its profit. [3]

**4** **(a)** Explain **two** reasons why high quality is important for FF.

Reason 1: ..................................................................................................................

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Explanation: ..................................................................................................................

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Reason 2: ..................................................................................................................

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Explanation: ..................................................................................................................

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[8]





**(b)** Using Appendix 3 and other information, consider the following **two** ways FF could contribute to sustainable development. Which way should Kathryn choose? Justify your answer.

- Buying all flowers from sustainable sources
- Using electricity from renewable sources

Buying all flowers from sustainable sources: ..................................................................................................................

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Using electricity from renewable sources: ..................................................................................................................

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Recommendation: ..................................................................................................................

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[12]

**3** **(a)** Explain **one** way each of the following stakeholder groups might be affected by a business becoming a multinational company.

Effect on shareholders: ..............................................................................................

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Effect on employees: ..............................................................................................

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Effect on suppliers: ..............................................................................................

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Effect on the government: ..............................................................................................

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**(b)** Using Appendix 2 and other information, consider the **two** countries BB could choose to locate its first new factory. Which country should BB choose? Justify your answer.

Country A: ..............................................................................................

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Country B: ..............................................................................................

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Recommendation: ..............................................................................................

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# 5 Finance for business – Part 1

Name: ____________ Class: ________ Date: __________

## Vocabulary 词汇

*Write each word three times.* 把每个单词抄写三遍。

| English | 中文 | Write it 3 times (English) | | |
|---|---|---|---|---|
| finance | 资金 | | | |
| Start-up capital | 启动资金 | | | |
| internal sources | 内部资金 | | | |
| external sources | 外部资金 | | | |
| bank loan | 银行贷款 | | | |

## Recall

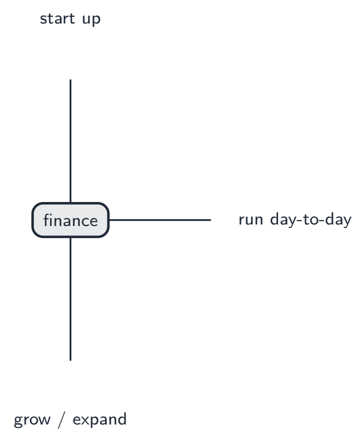
Businesses need **finance** 资金 (money) to start, to run day-to-day and to grow.

## New ideas

Read these first, then do the Practice.

### ■ 1 Why finance is needed






**Start-up capital** 启动资金 is the money needed to begin a new business.

### ■ 2 Sources of finance

| internal | external |
|---|---|
| owner's savings | bank loan |
| retained profit | selling shares |
| selling assets | overdraft |

- **internal sources** 内部资金 come from inside the business;
- **external sources** 外部资金 come from outside (e.g. a **bank loan** 银行贷款).

**Watch out:** **internal** finance comes from *inside* the business (owner's savings, retained profit); **external** finance comes from *outside* (a bank loan, selling shares). A bank loan must be repaid *with interest.*

## Practice

Try these in order.

**5.1** Give two reasons a business needs finance. [2]

**5.2** What is *start-up capital*? [1]

**5.3** Give one internal source of finance. [1]

**5.4** Give one external source of finance. [1]

**5.5** Is a bank loan an internal or an external source? [1]

**5.6 Challenge.** A person wants to start a small shop. Suggest one **internal** and one **external** source of finance they could use, and one drawback of each. [4]





**3** **(a)** Explain **four** sources of external finance a business could use.

Source 1: ..................................................

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Source 2: ..................................................

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Source 3: ..................................................

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Source 4: ..................................................

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[8]

**(b)** Consider why the profitability and liquidity ratios for her restaurant will be important to Jemi. Which is likely to be the most important for the success of Jemi's restaurant? Justify your answer.

Profitability ratios:

Liquidity ratios:

Conclusion:

[12]





**4 (a)** Explain **two** cash inflows and **two** cash outflows that are likely to be included in CR's cash flow forecast for its first year of trading.

Cash inflow 1:

Cash inflow 2:

Cash outflow 1:

Cash outflow 2:

[8]

**(b)** Using Appendix 3 and other information, consider the effects on CR of the decrease in taxes and the increase in interest rates in country P. Which change is likely to have the greatest effect on CR's profit in its first year? Justify your answer.

Decrease in taxes: ..........................................................................................................

Increase in interest rates: ..........................................................................................................

Conclusion: ..........................................................................................................

[12]





# 5 Cash flow and profit – Part 2

Name: ____________ Class: ________ Date: __________

## Vocabulary 词汇

*Write each word three times.* 把每个单词抄写三遍。

| English | 中文 | Write it 3 times (English) |
|---|---|---|
| Cash flow | 现金流 | |
| Profit | 利润 | |
| revenue | 收入 | |
| loss | 亏损 | |

## Recall

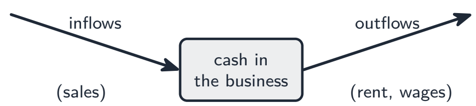
A business must watch its cash and work out its profit.

## New ideas

Read these first, then do the Practice.

■ **1 Cash flow**

**Cash flow** 现金流 is the money flowing into and out of a business:




If more flows out than in, the business may run out of cash — even if it is making a profit.

### ■ 2 Working out profit

revenue (sales)
− costs
= profit

if costs are bigger,
it is a loss

**Profit** 利润 = total **revenue** 收入 − total costs. If costs are bigger, it is a **loss** 亏损.

**Watch out: cash flow** is money flowing *in and out*; a business can be **profitable but still run out of cash** if more flows out than in at the wrong time. **Profit** = total revenue − total costs.

## Practice

Try these in order.

**5.6** What is *cash flow*? [1]

**5.7** Give one cash inflow. [1]

**5.8** Give one cash outflow. [1]

**5.9** How do you work out profit? [1]

**5.10** What happens if total costs are bigger than revenue? [1]



**5.11 Challenge.** Explain how a *profitable* business could still run out of cash. [2]

**1** KPX manufactures computers. The business imports 60% of its raw materials. The Operations Director is considering ways to use lean production methods in KPX's factory. The Finance Director is reviewing KPX's financial data to calculate the value of its expenses. An extract is shown in Table 1.1.

**Table 1.1**

| **Extract from KPX's financial data for 2024 ($ million)** | |
|---|---|
| Revenue | 750 |
| Cost of sales | 360 |
| Gross profit | 390 |
| Profit | 90 |

**(a)** Identify **two** reasons why a business might import raw materials.

Reason 1: ..........................................................................................................

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Reason 2: ..........................................................................................................

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**(b)** Calculate KPX's expenses in 2024. Show your working.

Working: ..........................................................................................................

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Final answer: .......................................................................................... [2]

**(c)** Outline **two** ways KPX's Finance Director could use the financial data in Table 1.1.

Way 1: ..........................................................................................................

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Way 2: ..........................................................................................................

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**(d)** Explain **two** methods of lean production KPX could use.

Method 1: ..........................................................................................................

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Explanation: ..........................................................................................................

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Method 2: ..........................................................................................................

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Explanation: ..........................................................................................................

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**(e)** Explain **two** reasons why profit is important for a business. Which reason is likely to be the most important? Justify your answer.

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**4** RHN is a clothing retailer. It has 50 shops and 290 employees. All RHN's employees are provided with training. Commission is used as one method of financial reward. The business often uses internal recruitment when there is a job vacancy. Last year RHN made a profit of $1.5 million. The Managing Director, as an internal user of accounts, has been analysing RHN's statement of financial position.

**(a)** Define 'commission'.

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**(b)** Identify **two** external users of accounts.

External user 1: ..........................................................................................................

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External user 2: ..........................................................................................................

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**(c)** Identify **four** ways the information in a statement of financial position can be used.

Way 1: .........................................................................................................................

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Way 2: .........................................................................................................................

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Way 3: .........................................................................................................................

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Way 4: .........................................................................................................................

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Name: IGCSE Business Studies: **w24 13**

**(d)** Explain **two** possible reasons why providing training for its employees is important to RHN.

Reason 1: ......................................................................................................................

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Explanation: .................................................................................................................

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Reason 2: ......................................................................................................................

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Explanation: .................................................................................................................

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**(e)** Do you think the advantages for a business of using internal recruitment are greater than the disadvantages? Justify your answer.

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4 (a) Explain **two** reasons why BB might want to sell its products in new markets in other countries.

Reason 1: ..........................................................................................................................

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Explanation: ..........................................................................................................................

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Reason 2: ..........................................................................................................................

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Explanation: ..........................................................................................................................

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(b) Using Appendix 3 and other information, consider BB's financial performance compared to its main competitor. Do you think BB's financial performance is better than its competitor? Justify your answer using appropriate calculations.

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Conclusion: ..........................................................................................................................

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# 6 Economic influences – Part 1

Name: ____________ Class: ________ Date: __________

## Vocabulary 词汇

*Write each word three times.* 把每个单词抄写三遍。

| English | 中文 | Write it 3 times (English) | | |
|---|---|---|---|---|
| external influences | 外部影响 | | | |
| interest rates | 利率 | | | |
| inflation | 通货膨胀 | | | |
| business cycle | 经济周期 | | | |
| recession | 经济衰退 | | | |

## Recall

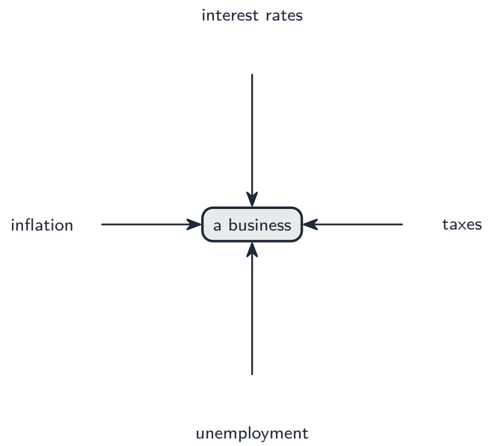
Businesses are affected by **external influences** 外部影响 — things outside their control, like the economy and the government.

## New ideas

Read these first, then do the Practice.

### 1 Economic influences

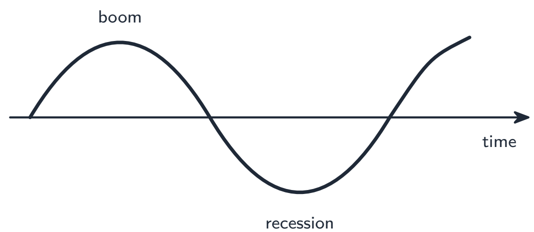





- when **interest rates** 利率 rise, loans cost more, so businesses borrow and spend less;
- **inflation** 通货膨胀 (rising prices) raises a business's costs.

### 2 The business cycle

The economy goes through ups and downs — the **business cycle** 经济周期:




A **recession** 经济衰退 is when the economy shrinks; sales usually fall.

**Watch out:** when **interest rates rise**, loans cost more, so businesses borrow and spend less. **Inflation** is a *general rise in prices*, which pushes up a business's costs. A **recession** is when the economy *shrinks* and sales usually fall.

## Practice

Try these in order.

**6.1** What is an *external influence*? [1]

**6.2** What happens to the cost of a loan when interest rates rise? [1]

**6.3** What is *inflation*? [1]

**6.4** What is a *recession*? [1]

**6.5** What usually happens to a business's sales in a recession? [1]

**6.6 Challenge.** Interest rates rise sharply. Explain **two** ways this could affect a business. [2]





**4** **(a)** Explain **one** effect on PF of the increase in each of the **two** taxes outlined in Appendix 2.

Tax on people's income: ..........................................................................................

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Explanation: ..........................................................................................

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Tax on profit made by businesses: ..........................................................................................

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Explanation: ..........................................................................................

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[8]

**(b)** Using Appendix 3 and other information, consider PF's financial position in 2025 and forecast financial position in 2026. Do you think Philip's sister should invest in PF? Justify your answer using suitable calculations.

2025: ..........

2026 (forecast): ..........

Recommendation: ..........

[12]





# 6 Ethics and globalisation – Part 2

Name: ________ Class: ________ Date: ________

## Vocabulary 词汇

*Write each word three times.* 把每个单词抄写三遍。

| English | 中文 | Write it 3 times (English) | | |
|---|---|---|---|---|
| ethically | 道德 | | | |
| environment | 环境 | | | |
| reputation | 声誉 | | | |
| Globalisation | 全球化 | | | |

## Recall

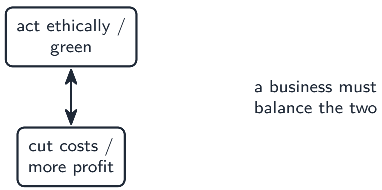
Businesses also face pressure to act responsibly and to compete in a global market.

## New ideas

Read these first, then do the Practice.

### 1 Ethics and the environment

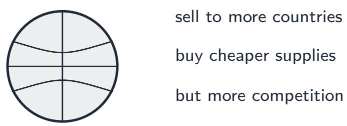
A business can act **ethically** 道德 and protect the **environment** 环境, but this often costs more:




For example, recycling and fair pay cost money, but improve the business's **reputation** 声誉.

■ **2 Globalisation**

**Globalisation** 全球化 means the world's economies are more connected:




**Watch out:** acting **ethically** or greenly (fair pay, recycling) usually *costs more* but improves the business's **reputation**. **Globalisation** opens bigger markets and cheaper supplies but also brings *more competition.*

## Practice

Try these in order.

**6.6** Give one way a business can act more ethically. [1]

**6.7** Why might acting ethically cost a business more? [1]

**6.8** Give one benefit to a business of a good reputation. [1]



**6.9** What is *globalisation*? [1]

**6.10** Give one benefit and one drawback of globalisation for a business. [2]

**6.11 Challenge.** A clothing business is deciding whether to move to fair-pay, eco-friendly production. Give one benefit and one drawback of this choice. [2]

**4** CFG is a social enterprise. It buys cocoa beans from local farmers and then uses the beans to make chocolate. Being ethical is important to the business. CFG has developed a new chocolate bar. The Marketing Manager plans to use skimming as its pricing method, and retailers as its distribution channel for the new product. He knows there are many legal controls over marketing that might affect a business.

**(a)** Define ‘social enterprise’.

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**(b)** Identify **two** ways legal controls over marketing might affect a business.

Way 1: ..............................................................................................................................

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Way 2: ..............................................................................................................................

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**(c)** Outline **one** advantage and **one** disadvantage to CFG of using skimming as its pricing method.

Advantage: ........................................................................................................................

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Disadvantage: ....................................................................................................................

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**(d)** Explain **one** advantage and **one** disadvantage to CFG of using retailers as its distribution channel for the new product.

Advantage: ........................................................................................................................

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Explanation: ......................................................................................................................

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Disadvantage: ....................................................................................................................

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Explanation: ......................................................................................................................

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**(e)** Do you think being ethical will always lead to lower profit for a business? Justify your answer.

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**4** MTL is a large business which sells children's toys. MTL wants to act ethically with all of its stakeholder groups including its 430 employees. The market MTL operates in has become more competitive. The business uses a range of methods to promote its products. Having a good brand image is important. MTL's directors are considering entering a new market in another country. They are aware there may be problems if they choose to do this.

**(a)** Define 'brand image'.

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**(b)** Identify **two** reasons why some markets have become more competitive.

Reason 1: ..........................................................................................................................

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Reason 2: ..........................................................................................................................

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**(c)** Outline **one** way MTL could act ethically with each of the following stakeholder groups:

Employees: .......................................................................................................................

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Customers: .......................................................................................................................

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**(d)** Explain **two** problems MTL might have when entering a new market in another country.

Problem 1: .........................................................................................................................

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Explanation: ......................................................................................................................

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Problem 2: .........................................................................................................................

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Explanation: ......................................................................................................................

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**(e)** Explain **two** methods of promotion a business might use for its products. Which method is likely to be the best for a large business to use? Justify your answer.

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