

IGCSE Business Studies

Name: _____ Score: _____

1. The economic problem of scarcity arises because:

- ☐ businesses charge too much
- ☐ wants are unlimited but resources are limited
- ☐ there is too little money
- ☐ people are lazy

2. A car factory operates in the:

- ☐ public sector
- ☐ tertiary sector
- ☐ primary sector
- ☐ secondary sector

3. An entrepreneur is someone who:

- ☐ takes a risk to start and run a business
- ☐ never takes risks
- ☐ only lends money
- ☐ works for the government

4. A sole trader has:

- ☐ shareholders
- ☐ limited liability
- ☐ a stock-market listing
- ☐ unlimited liability

5. The most likely main objective of a brand-new business is:

- ☐ survival
- ☐ global growth
- ☐ paying large dividends
- ☐ maximum market share

6. A business buys materials for 18 and sells the finished product for 50. What is the value added?

7. Mining and farming belong to the _____ sector.

8. Which can measure the size of a business? (Select all that apply.)

- ☐ the owner's height
- ☐ revenue
- ☐ number of employees
- ☐ capital employed

Tick every correct option.

9. A partnership has two or more owners who share the capital and risk.

- ☐ True ☐ False

10. The interests of different stakeholders can conflict with each other.

- ☐ True ☐ False

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1. **wants are unlimited but resources are limited**

Scarcity means limited resources cannot meet unlimited wants.

2. **secondary sector**

Manufacturing is the secondary sector.

3. **takes a risk to start and run a business**

Entrepreneurs bear risk to start a business for profit.

4. **unlimited liability**

A sole trader is personally liable for all debts.

5. **survival**

New firms prioritise survival first.

6. **32**

Value added = $50 - 18 = 32$.

7. **primary**

The primary sector extracts raw materials.

8. **revenue; number of employees; capital employed**

Employees, revenue and capital are standard measures.

9. **True**

Partners share ownership, profit and (usually) unlimited liability.

10. **True**

For example, employees want higher pay while owners want higher profit.