

6. External influences on business activity

Starter Quiz · 课前小测

IGCSE Business Studies

Name: _____ Score: _____

1. During a recession, most businesses experience:

- ☐ falling demand and lower sales
- ☐ rising demand
- ☐ higher profits
- ☐ labour shortages

2. Pollution from a factory that harms the local community is an example of:

- ☐ an external cost
- ☐ a fixed cost
- ☐ an internal benefit
- ☐ value added

3. Globalisation refers to:

- ☐ the growing connection of the world's economies
- ☐ a single country's economy
- ☐ a fall in world trade
- ☐ a type of tax

4. Inflation is most likely to:

- ☐ raise a firm's costs and reduce customers' spending power
- ☐ lower a firm's costs
- ☐ raise real incomes
- ☐ have no effect

5. Sustainable business activity means meeting today's needs:

- ☐ without harming future generations
- ☐ at the lowest possible price
- ☐ by ignoring the environment
- ☐ only through exports

6. Which are examples of ethical business behaviour? (Select all that apply.)

- ☐ paying workers fairly
- ☐ avoiding child labour

- ☐ sourcing responsibly
- ☐ dumping waste illegally

Tick every correct option.

7. Higher interest rates tend to reduce consumer spending and borrowing.

- ☐ True ☐ False

8. Pressure groups can influence businesses through campaigns and bad publicity.

- ☐ True ☐ False

9. Free trade tends to lower prices and increase choice for consumers.

- ☐ True ☐ False

10. The phase of the business cycle with falling output and rising unemployment is a _____.

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1. **falling demand and lower sales**

A recession cuts demand and sales.

2. **an external cost**

External costs fall on society, not just the business.

3. **the growing connection of the world's economies**

Globalisation links economies through trade, investment and technology.

4. **raise a firm's costs and reduce customers' spending power**

Inflation pushes up costs and erodes spending power.

5. **without harming future generations**

Sustainability protects the ability of the future to meet its needs.

6. **paying workers fairly; avoiding child labour; sourcing responsibly**

Dumping waste illegally is unethical (and illegal).

7. **True**

Dearer borrowing cuts spending and demand.

8. **True**

Negative publicity can hit sales and force change.

9. **True**

Removing barriers widens choice and lowers prices.

10. **recession**

A recession is the downturn phase.