

50 Questions – Business

No.	Question	Answer
1	What is a person who develops an idea and takes the risk of starting and running a business?	Entrepreneur
2	What is the ability to see the need for a particular product or services that customers need?	Spotting an opportunity
3	What is seeing an opportunity to provide a product or service that people are willing to buy?	Enterprise
4	What are the four characteristics of an entrepreneur?	Creative, Prepared to take a risk, determined, confident of success
5	What are the potential rewards of running a business?	Financial, independence, self-satisfaction and changing customer habits
6	What are the potential risks of running a business?	Financial, health and strained relationships
7	What is the business word for money?	Finance
8	How might a business measure success?	Making a profit, surviving, providing a good service to customers
9	What are the things that a business needs e.g. finance, staff and material?	Resources
10	What is the place where the business sells its goods and services?	Market
11	What are things that a business wants to achieve, such as grow larger, or make more profit?	Aims and objectives
12	A sole trader where a person owns the business in its entirety. What are the advantages of this type of business ownership?	Easy to set up, little finance required, control, profits go to the owner, financial information is private.
13	What are the disadvantages of being a sole trader?	Unlimited liability, illness disrupts the business, capital can be short, long hours of work, shortage of skills, problems of continuity.
14	What are the advantages of a partnership?	Extra capital, easy to set-up, more skills in the business, workload is shared, financial information is private
15	What are the disadvantages of a partnership?	Profit is shared, unlimited liability, shortage of capital, slower decision making, problems of continuity
16	What is unlimited liability?	Where the owners of the business are responsible for all of its debts.
17	What are the advantages of a private limited company? (Ltd)	Limited liability, continuity, can raise money easily, control over share sale.
18	What are the disadvantages of a private limited company? (Ltd)	Financial information available to the public, administration, sale of share restricted, dividends have to be paid to shareholders.
19	In a public limited company (Plc) as long as the company has £50,000 share capital the company can sell shares on the stock exchange. What are the advantages of a Plc?	Ability to raise large amounts of capital, easier to borrow money, limited liability for shareholders

20	What are the disadvantages of a Plc?	Possibility of takeover, cost of setting up and operating, problems of control if the business becomes too big, financial information available to the public
21	Who are the internal stakeholders in a business?	Owners and employees
22	Who are the external stakeholders in a business?	Customers, suppliers, government and the local community
23	What is a merger?	Two or more businesses agree to join.
24	What is a takeover?	Where a business takes a controlling interest in another business.
25	What is a horizontal merger?	Is a merger or takeover where two businesses are involved in a similar operation e.g. two internet providers e.g. Virgin media and O2 to become Virgin media O2
26	What is a forward vertical merger?	When a business merges with or takes over a business that it supplies goods or services to.
27	What is a backward vertical merger?	When a business merges with or takes over a business that supplies it with goods or services
28	What is finding the needs of consumers and demonstrating how a business fulfils those needs in a way that increases sales.	Marketing
29	How might a business market itself?	Email, website, trade fairs/meetings with present and potential customers, social media and on the phone.
30	How might a business increase sales?	Advertising the product or service more to raise awareness, introducing new models, increasing the range of products, reducing the price – but needs to maintain profit, selling the product in different places, selling by different methods e.g. online.
31	What is the collection of data on customer habits to help decision-making in marketing?	Market research
32	What is the group of customers to whom a business aims to sell its products?	Target audience
33	What is data collected first-hand, often in the form of surveys, sometimes referred to as field research?	Primary data
34	What is data using research or information provided by others, such as magazines, journals and the internet, often called desk research?	Secondary data
35	What is the data collected by the government every ten years, questioning the entire population on several things including income and occupation?	The census
36	What is data collected that is based on facts and numbers?	Quantitative data
37	What is data collected based on opinions of those being asked questions in a survey?	Qualitative data
38	What is market segmentation?	The splitting the market for a product into different parts, or segments
39	What are the four P's of the marketing mix?	Price, Product, Promotion and Place

40	What is a method of pricing where the business has a higher price than competitors because it has a better product, for which consumers are willing to pay a higher price?	Skimming
41	What is a method of pricing is where prices are reduced to give products a boost or sell off old stock. This is most commonly seen as sales in shops?	Promotional
42	What is a method of pricing where the business looks at the price it paid for a product and then adds on profit to arrive at the price to be charged?	Cost-plus
43	What is a method of pricing used when there are many other businesses selling the same or similar products?	Competitor
44	What is a method of pricing where a business lowers the price of products or services to gain customers from other businesses?	Penetration
45	What is the diagram that shows how sales vary from the introduction of a product? It stages are introduction, growth, maturity and decline?	The product life cycle
46	What is the distribution of goods using a physical presence such as a shop or an office?	Physical distribution
47	What is the distribution of goods and services digitally by downloading from a website?	Digital distribution
48	What are human resources?	The workers employed by the business
49	What is a human resource plan?	A plan detailing workers a business needs – how many, whether they will be full or part time, the skills they should have and when they will work.
50	What is a zero hours contract?	Contracts given to employees, which do not guarantee them any work. The businesses contacts workers when they are needed.