1.1 The purpose of business and enterprise: 10-minute Pack

Total Marks

AQA 8132 · Calculator allowed · about 10 minutes

Name: _____ Date: ____ / ____ / _____

Answer ALL questions in the spaces provided. Show your working for any calculation: method marks are available even if your final answer is wrong. Bramblewick Candle Co, used throughout this pack, is a fictional business.

1 Which one of the following businesses mainly provides a service rather than a good?

- ☐ A) A bakery that sells loaves of bread
- ☐ B) A company that assembles cars
- ☐ C) A driving school that teaches learners to drive
- ☐ D) A workshop that makes wooden furniture

(Total for Question 1 is 1 mark)

---

2 Define the term 'competitor'.

(Total for Question 2 is 1 mark)

---

3 State one example of a good and one example of a service.

(Total for Question 3 is 2 marks)

© Revision Library | revisionlibrary.co.uk

4 Which one of the following is the best example of an entrepreneur spotting a gap in the market?

- ☐ A) Opening a cafe next door to one that is already very busy and offers the same menu
- ☐ B) Cutting the prices of a product that already sells well
- ☐ C) Buying more stock of a product that is not selling
- ☐ D) Opening a bakery for gluten-free products in a town where none is sold

(Total for Question 4 is 1 mark)

---

5 Explain one reason why making a profit is important to a business.

(Total for Question 5 is 3 marks)

© Revision Library | revisionlibrary.co.uk

Mark scheme · 1.1 The purpose of business and enterprise: 10-minute Pack

Question 1

C cao **B1**

Answer: C

Question 2

a business that sells the same or similar goods or services to the same customers (accept a business that the customer could choose to buy from instead) **B1**

Answer: A business that sells the same or similar goods or services to the same customers.

Question 3

any acceptable good, e.g. a scented candle, a loaf of bread, a car **B1**

any acceptable service, e.g. a haircut, car insurance, a bus journey **B1**

Answer: Any acceptable pair, e.g. good: a scented candle. Service: a haircut.

Question 4

D cao **B1**

Answer: D

Question 5

identifies a reason, e.g. profit rewards the owner for the risk taken and the effort put in **B1**

develops the point, e.g. profit can be kept back and used to buy new equipment or stock, or to open a second shop **B1**

links to an outcome, e.g. the business can grow or survive a quiet spell, which makes it more likely to carry on trading **B1**

Answer: Profit rewards the owner for taking risks and can be reinvested, so the business can grow and is more likely to survive.

© Revision Library | revisionlibrary.co.uk