1.7 The dynamic nature of business: Test Pack

AQA 8132 · Calculators not allowed · about 15 minutes

Total Marks

Name: _____ Date: ____ / ____ / _____

Answer ALL questions in the spaces provided. In your longer answers, use relevant business terminology and apply your points clearly to the scenario given.

1 Which one of the following is most likely to create a new business opportunity for an entrepreneur?

- ☐ A) A fall in customer demand for a product
- ☐ B) A new law banning a type of packaging material
- ☐ C) A decrease in the number of potential customers
- ☐ D) A rise in the cost of borrowing money

(Total for Question 1 is 1 mark)

---

2 State two enterprise skills (personal qualities) that can help an entrepreneur succeed in a dynamic market.

(Total for Question 2 is 2 marks)

---

3 Yusuf has noticed that none of the cafes in his town sell gluten-free cakes, even though several customers have asked for them. Yusuf is thinking of opening a bakery that only sells gluten-free products.

Which one of the following best describes what has led Yusuf to his business idea?

- ☐ A) A change in the economic climate
- ☐ B) A gap in the market
- ☐ C) A change in the law
- ☐ D) A fall in the cost of raw materials

(Total for Question 3 is 1 mark)

© Revision Library | revisionlibrary.co.uk

4 Two years ago, PrintNow, a small local printing shop, was the only business in its town offering same-day printing. Last year, a national printing chain opened a same-day printing service in the same town, charging lower prices than PrintNow.

(a) State two ways the arrival of the national chain has changed the market for PrintNow. **(2)**

(b) State two ways PrintNow could respond to stay competitive. **(2)**

(Total for Question 4 is 4 marks)

---

5 A well-established department store notices that more and more of its customers are shopping online instead of visiting its shops.
Explain one way the department store could respond to this change in the market.

(Total for Question 5 is 3 marks)

© Revision Library | revisionlibrary.co.uk

Mark scheme · 1.7 The dynamic nature of business: Test Pack

Question 1

B cao **B1**

Answer: B

Question 2

one acceptable enterprise skill, e.g. being innovative/creative **B1**

a second acceptable enterprise skill, e.g. being willing to take calculated risks, resilience, or strong decision-making under pressure **B1**

Answer: Any two, e.g. innovation/creativity; willingness to take calculated risks; resilience; strong decision-making.

Question 3

B cao **B1**

Answer: B

Question 4

(a) one acceptable change, e.g. PrintNow now faces direct price competition from a rival **B1**

(a) a second acceptable change, e.g. PrintNow has lost its position as the only same-day printing provider in the town, giving customers more choice **B1**

(a) Answer: Any two, e.g. PrintNow now faces direct price competition; PrintNow is no longer the only same-day printing provider in the town.

(b) one acceptable response, e.g. offer a service the national chain does not, such as personalised design advice **B1**

(b) a second acceptable response, e.g. build stronger customer loyalty, such as through a loyalty/discount scheme for regular customers **B1**

(b) Answer: Any two, e.g. offering personalised advice/services the chain does not; introducing a loyalty scheme to retain regular customers.

Question 5

identifies a suitable response, e.g. the department store could invest in building its own online shop **B1**

develops the point, e.g. this would let existing customers continue buying from the store even if they no longer wish to visit in person **B1**

links clearly to a likely business outcome, e.g. this should help the store retain sales/revenue that would otherwise be lost to online competitors **B1**

Answer: The department store could invest in its own online shop so it can keep selling to customers who now prefer to shop online, helping it retain sales it would otherwise lose.

© Revision Library | revisionlibrary.co.uk