

1.1 End of topic test



NAME

DATE OF TEST

SCORE AND FEEDBACK

Part 1 – multiple choice questions

Instructions: Read the questions carefully and tick the right number of boxes

Q1

Which **one** of the following could a small business use to add value?

(1)

Select **one** answer.

- ☐ **A** Locate in a convenient place
- ☐ **B** Pay a higher rate of taxation
- ☐ **C** Reduce its cash inflows
- ☐ **D** Use a long-term source of finance

Q2

Which **two** of the following are examples of a service?

(2)

Select **two** answers.

- ☐ **A** Birthday cake
- ☐ **B** Fitness class
- ☐ **C** Mobile phone
- ☐ **D** Newspaper
- ☐ **E** Train journey

Part 2 – short answer questions

Instructions: Stay inside the lines (do not overwrite) score is 3 marks each question

Explain **one** risk for an entrepreneur when starting a new business.

Q3

Explain **one** way a small business could add value to a product.

Q4

Part 3 – case study questions

Instructions: Read the case study and make sure you refer to it in your answers. Score is two marks for each question

Last Course Patisserie Ltd is a small private limited company based in Devon which produces hand-made desserts and puddings. The business was established in 1986. Its owners previously worked in the food industry but felt they could offer better value for money to customers. All of the desserts are made fresh to order which has provided *Last Course Patisserie* with a reputation for being flexible when meeting customer needs.

Getting the best ingredients for the desserts is a vital part of the business. *Last Course Patisserie* found excellent suppliers of free range eggs and dairy products close to its business location. This means all ingredients could be delivered quickly when needed.

Last Course Patisserie has recently employed a new head chef from Switzerland who has introduced a new range of products to the menu. This has proved to be very popular with customers and the business now struggles to keep up with demand. *Last Course Patisserie* is receiving increased orders for desserts but, due to the size of its business premises, struggles to meet this increase in demand. The owners have decided that it is the right time for *Last Course Patisserie* to expand and possibly relocate to new premises.



Q5

Outline **one** risk taken by the owners when starting *Last Course Patisserie*.

(2)

Ripple is an energy company aimed at providing green and renewable energy to homes and businesses across the UK. It is the country's first consumer-owned wind farm, generating green energy that does not have a damaging effect on the environment. Instead of customers paying *Ripple* to supply them with energy they become members of the business and buy a part of a wind farm located in a remote area of South Wales. Customers are then supplied with energy to their homes based on the amount of money they invested. The amount of money that customers can invest varies on their energy needs, but *Ripple* claims that it can supply energy cheaper than its competitors.

The process of becoming a member is very simple. Firstly, *Ripple* will ask customers a few questions to identify their energy needs. It will then create a green energy plan to establish how much each customer should invest into the wind farm. *Ripple* manages the wind farm and provides energy to each customer's home or business.

Ripple's business plan fits in with the UK government's cleaner energy strategy. This strategy includes plans for the country to have net zero carbon emissions by 2050 and to create 220,000 new jobs in the green energy sector of the economy.

Q6

Outline **one** benefit to customers from *Ripple* asking questions to identify its customer needs.

(2)

Part 4 – key terms

Instructions: provide short definitions for the following key terms found in unit 1.1. The score is 1 mark per question

Q7 Products	
Q8 Enterprise	
Q9 Added value	
Q10 Need	
Q11 Obsolete	