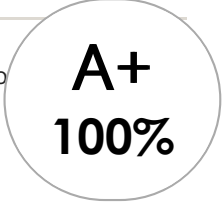


## 20 Multiple choice questions



**A+**  
**100%**

1. an advantage over competitors gained by offering consumers greater value, either by means of lower prices, improved quality or by providing greater benefits and service
  - a. **CORRECT: competitive advantage**
  - b. capital gain
  - c. corporatisation
  - d. effective operation
  
2. where governments retain control over government businesses but put them on a corporate footing, performing in the same way as companies in the private sector
  - a. goods
  - b. capital gain
  - c. exchange rate
  - d. **CORRECT: corporatisation**
  
3. a commitment by a business to operate ethically and contribute to economic development while improving the quality of life of our workforce and their families, as well as the community at large
  - a. corporatisation
  - b. discretionary spending
  - c. **CORRECT: corporate social responsibility**
  - d. environmental sustainability
  
4. spending from incomes after tax and essential spending has taken place
  - a. capital gain
  - b. capital-intensive
  - c. **CORRECT: discretionary spending**
  - d. dividend

5. a legal arrangement between a supplier (franchisor) of a well-known product and the franchisee; the franchisee will develop a business using the trade name; once in operation, the supplier must not only maintain a continuing interest but also provide assistance to the franchisee
- a. capital gain
  - b. exchange rate
  - c. entrepreneur
  - d. **CORRECT: franchise business**
6. consists of four distinct stages - establishment, growth, maturity, post-maturity
- a. exchange rate
  - b. business environment
  - c. **CORRECT: business life cycle**
  - d. efficiency
7. between the Australian dollar and another country's currency is the price of that currency in Australian dollars
- a. entrepreneur
  - b. capital gain
  - c. **CORRECT: exchange rate**
  - d. bankruptcy
8. meeting the needs of the present generation without compromising the ability of future generations to meet their needs
- a. corporate social responsibility
  - b. capital gain
  - c. efficient operation
  - d. **CORRECT: environmental sustainability**
9. where a business achieves the greatest possible return or output from an input by using the lowest amount of resources or assets
- a. bankruptcy
  - b. entrepreneur
  - c. **CORRECT: efficiency**
  - d. dividend

10. when an individual has insufficient assets to pay his or her debts
- a. goods
  - b. **CORRECT: bankruptcy**
  - c. dividend
  - d. efficiency
11. physical products which are tangible - they can be touched or seen, e.g. a car or mobile phone
- a. bankruptcy
  - b. dividend
  - c. efficiency
  - d. **CORRECT: goods**
12. have an indirect impact on a business, which has very little control over these influences
- a. entrepreneur
  - b. exchange rate
  - c. **CORRECT: external influences**
  - d. efficiency
13. the share in the net profit of a company (after tax and other expenses) paid to a shareholder
- a. **CORRECT: dividend**
  - b. efficiency
  - c. goods
  - d. entrepreneur
14. a person who is willing to undertake financial risk in business by innovating and/or starting up new businesses or investing in existing businesses
- a. efficiency
  - b. bankruptcy
  - c. dividend
  - d. **CORRECT: entrepreneur**

15. the 'profit' made when a person sells an asset for a price higher than the purchase price
- a. corporatisation
  - b. capital-intensive
  - c. **CORRECT: capital gain**
  - d. exchange rate
16. where a business will try to be effective by making sure that customer's needs are met and they are satisfied with the output
- a. corporatisation
  - b. efficiency
  - c. efficient operation
  - d. **CORRECT: effective operation**
17. all of the factors that 'surround' a business and have an impact on it
- a. entrepreneur
  - b. dividend
  - c. **CORRECT: business environment**
  - d. business life cycle
18. where there are relatively few workers in proportion to the machinery used in production
- a. **CORRECT: capital-intensive**
  - b. capital gain
  - c. exchange rate
  - d. dividend
19. the value of the total output of goods and services produced by businesses and governments during a year
- a. competitive advantage
  - b. corporatisation
  - c. business life cycle
  - d. **CORRECT: gross domestic product (GDP)**

20. a business will try to produce its output by using the least amount of input possible
- a. **CORRECT:** efficient operation
  - b. corporatisation
  - c. efficiency
  - d. effective operation