IGCSE Business Studies Section 2 – People in Business Practice Test (Sample)

Study Guide

BY EXAMZIFY

Everything you need from our exam experts!

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

• Practice answering questions under realistic conditions,
• Improve accuracy and speed,
• Review explanations to strengthen weak areas, and
• Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

1. **Who is responsible for directly managing people and coordinating their tasks?**

   A. Line managers

   B. Staff managers

   C. Trade unions

   D. Job description

2. **What is the route taken by instructions from upper to lower management?**

   A. Chain of command

   B. Span of Control

   C. Level of hierarchy

   D. Organisational Structure

3. **A casual chat between colleagues about a project is an example of which type?**

   A. Formal Communication

   B. Informal Communication

   C. Communication Barriers

   D. Written Communication

4. **Training for new employees explaining the business structure, activities and procedures.**

   A. Induction Training

   B. On-the-job Training

   C. Off-the-job Training

   D. Dismissal Training

5. **Which concept describes the path of authority from the top of the organization to the bottom?**

   A. Chain of command

   B. Span of Control

   C. Organisational Structure

   D. Level of hierarchy

6. **A vacancy is filled by someone not currently employed by the organisation.**

    A. Internal Recruitment

    B. External Recruitment

    C. Redundancy

    D. Full-time Employment

7. **Payment for work, usually paid monthly?**

    A. Wage

    B. Salary

    C. Bonus

    D. Commission

8. **What term describes messages sent through established channels?**

    A. Messages sent through established channels.

    B. Messages sent casually, not through established channels.

    C. Factors that stop effective communication.

    D. Personal Communication

9. **Which concept describes the levels of management and divisions of responsibility within an organization?**

    A. Organisational Structure

    B. Chain of command

    C. Level of hierarchy

    D. Span of Control

10. **Training away from the place of work.**

    A. On-the-job Training

    B. Induction Training

    C. Off-the-job Training

    D. Redundancy

Answers

1. A
2. A
3. B
4. A
5. A
6. B
7. B
8. A
9. A
10. C

Explanations

1. Who is responsible for directly managing people and coordinating their tasks?

A. Line managers

B. Staff managers

C. Trade unions

D. Job description

Directly supervising staff and arranging their day-to-day work is the job of line managers. They have the authority to assign tasks, set schedules and deadlines, monitor performance, and resolve issues on the shop floor or in a specific department. This hands-on role connects senior objectives with everyday activities, ensuring tasks are coordinated and completed. Staff managers, by contrast, provide specialist support (like HR, finance, or IT) but don't typically supervise workers daily. Trade unions are organizations that represent workers' interests and negotiate terms, not manage tasks. A job description is a document that outlines what a role entails, not the person who executes the management tasks.

2. What is the route taken by instructions from upper to lower management?

A. Chain of command

B. Span of Control

C. Level of hierarchy

D. Organisational Structure

The route of instructions from upper to lower management is the chain of command. This is the path through which authority and orders pass down the organizational levels—from the top, through managers, to supervisors and frontline staff. It clarifies who has the power to make decisions and who is responsible for carrying them out, ensuring a clear line of authority and accountability. Span of control, level of hierarchy, and organisational structure describe other aspects of how a business is arranged or how many people a manager oversees, or how authority is organized, but they don't specify the downward flow of instructions.

3. A casual chat between colleagues about a project is an example of which type?

A. Formal Communication

B. Informal Communication

C. Communication Barriers

D. Written Communication

Casual chat between colleagues is informal communication. It happens outside official channels and uses everyday speech rather than formal procedures, meetings, or written reports. Because it's spontaneous and conversational, it helps share updates quickly, clear up misunderstandings on the spot, and strengthen working relationships. However, it may be less precise and harder to record, which can lead to gaps or misinterpretations. This is different from formal communication, which follows official procedures and is documented; it's also not written communication or something that blocks communication.

4. Training for new employees explaining the business structure, activities and procedures.

A. Induction Training

B. On-the-job Training

C. Off-the-job Training

D. Dismissal Training

Induction training is the process of welcoming and orienting new employees. It covers the business structure, the main activities the company carries out, and the procedures and policies everyone must follow. This gives newcomers a clear map of who does what, how departments interact, and the standard ways of working so they can settle in quickly and start performing their roles correctly from the start. On-the-job training happens while employees perform tasks and learn by doing, which is about specific job skills. Off-the-job training takes place away from work, often for broader or theoretical learning. Dismissal training isn't a standard type used for new hires and isn't about introducing the business. So induction training best fits the scenario.

5. Which concept describes the path of authority from the top of the organization to the bottom?

A. Chain of command

B. Span of Control

C. Organisational Structure

D. Level of hierarchy

Chain of command describes the line of authority from the top of the organization down to the bottom. It shows who has the power to make decisions and who reports to whom, so orders and information flow through the right channels and accountability is clear. This helps ensure that management decisions are approved at the appropriate level and that everyone knows their place in the reporting structure. Span of control is about how many subordinates a manager directly oversees, which affects how many people one person can supervise. Organisational structure is the overall setup of roles and departments, of which the chain of command is a part. Level of hierarchy refers to how many levels exist in the organization, influencing how tall or flat the structure is, but not the specific path of authority itself.

6. A vacancy is filled by someone not currently employed by the organisation.

A. Internal Recruitment

B. External Recruitment

C. Redundancy

D. Full-time Employment

The idea being tested is where the candidate comes from when filling a vacancy. If the person chosen is not currently employed by the organization, you are hiring from outside, which is external recruitment. This approach brings in new skills or ideas and expands the pool of applicants beyond current staff. Internal recruitment would mean promoting or transferring someone already on the payroll. Redundancy is about eliminating a job, not filling one. Full-time employment describes how many hours the job requires, not the source of the applicant.

7. Payment for work, usually paid monthly?

    A. Wage

    B. Salary

    C. Bonus

    D. Commission

Salary means a fixed regular payment agreed in a contract, paid at set intervals—usually every month. Because the prompt mentions a payment that is commonly received on a monthly basis, this points to a salary rather than other forms. Wages, on the other hand, are typically based on hours worked and are paid more often, often weekly. A bonus is an extra payment given for performance and isn't a standard part of the regular pay. A commission is earnings tied to sales and can vary with performance. So the monthly, nature fits salary best.

8. What term describes messages sent through established channels?

    A. Messages sent through established channels.

    B. Messages sent casually, not through established channels.

    C. Factors that stop effective communication.

    D. Personal Communication

Formal communication is shown here. It uses official, established channels to send messages, such as memos, reports, official emails, and meetings. This approach provides structure, authority, and a written record, which helps ensure messages are clear, consistent, and traceable. The other descriptions refer to informal or personal messaging, or to obstacles that hinder communication, not to messages moved through the recognized channels.

9. Which concept describes the levels of management and divisions of responsibility within an organization?

    A. Organisational Structure

    B. Chain of command

    C. Level of hierarchy

    D. Span of Control

Organisational structure is the way a business arranges its people and tasks into levels of management and the divisions of responsibility. It shows who reports to whom and how work is grouped, giving a framework for coordinating activities across the company. This fits the question because it describes the overall setup of management levels and who is responsible for what. Related ideas like chain of command focus on the authority path, level of hierarchy on how many layers exist, and span of control on how many subordinates a manager has, but they're parts of the bigger picture rather than the whole concept.

10. Training away from the place of work.

   A. On-the-job Training

   B. Induction Training

   C. Off-the-job Training

   D. Redundancy

Training away from the place of work means learning that happens off-site, outside the normal work environment, such as at a college, training center, or with an external provider. This is called off-the-job training, and it lets staff focus on new skills away from daily duties so they can bring back improved knowledge to apply later. It contrasts with learning that happens while doing the job at the workplace, which is on-the-job training, and with induction training, which is the initial introduction to the company often done at work. Redundancy isn't about training at all; it's a situation where a job is no longer needed. So the correct description is off-the-job training.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

https://igcsebusinessstudiessec2.examzify.com

We wish you the very best on your exam journey. You've got this!