

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

Study Guide



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

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- 1. What is shortlisting in the recruitment process?**
 - A. Selecting a subset of candidates who meet the job requirements from all applicants.**
 - B. Interviewing all applicants in depth.**
 - C. Posting the job advertisement.**
 - D. Writing the job description.**

- 2. What is recruitment?**
 - A. The process of promoting employees**
 - B. The process of attracting and selecting suitable candidates**
 - C. The process of training employees**
 - D. The process of disciplining staff**

- 3. What is the practice of moving employees between different tasks at the same level of responsibility called?**
 - A. Job rotation**
 - B. Job enlargement**
 - C. Job enrichment**
 - D. Span of Control**

- 4. In Herzberg's two-factor theory, what is the effect of hygiene factors?**
 - A. They are solely financial incentives.**
 - B. They have no impact on job satisfaction.**
 - C. They prevent dissatisfaction but do not motivate.**
 - D. They increase job satisfaction and motivation.**

- 5. Which statement best contrasts on-the-job training with off-the-job training?**
 - A. On-the-job occurs at work using real tasks; off-the-job occurs away from work through courses.**
 - B. On-the-job is only for new staff; off-the-job is for experienced staff.**
 - C. On-the-job is always paid; off-the-job is unpaid.**
 - D. On-the-job requires external trainers; off-the-job uses line managers.**

- 6. In an organization, which of the following is a line role?**
- A. HR manager**
 - B. Production supervisor**
 - C. IT support**
 - D. Marketing research analyst**
- 7. Which term describes the process of ending an employee's contract due to the role no longer being needed?**
- A. Redundancy**
 - B. Dismissal**
 - C. Induction Training**
 - D. Part-time Employment**
- 8. Which of the following is an extrinsic motivator?**
- A. Personal pride**
 - B. Salary increase**
 - C. Enjoyment of work**
 - D. Interest in learning**
- 9. Which leadership style leaves broad objectives with employees to decide how to work?**
- A. Autocratic Leadership**
 - B. Democratic Leadership**
 - C. Laissez-faire Leadership**
 - D. Recruitment**
- 10. What is performance appraisal and why is it used?**
- A. A casual chat about workload with no formal record.**
 - B. A formal assessment of an employee's performance to inform pay, promotion, development, and succession decisions.**
 - C. A one-time test of skills.**
 - D. A measure of customer satisfaction with an employee.**

Answers

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

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Explanations

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1. What is shortlisting in the recruitment process?

- A. Selecting a subset of candidates who meet the job requirements from all applicants.**
- B. Interviewing all applicants in depth.**
- C. Posting the job advertisement.**
- D. Writing the job description.**

Shortlisting is the stage where you narrow down all applications to a smaller group who meet the essential requirements of the job. After receiving applications, the recruiter screens CVs and forms against the key criteria—like qualifications, experience, and skills—to identify those who are truly suitable to proceed. This keeps the process efficient, focusing interview time on the most promising candidates and ensuring a fair, manageable next step. Interviewing all applicants in-depth would be inefficient and impractical, so that isn't shortlisting. Posting the job advertisement and writing the job description happen earlier in the process to attract applicants and define the role, respectively, rather than selecting a reduced group to move forward.

2. What is recruitment?

- A. The process of promoting employees**
- B. The process of attracting and selecting suitable candidates**
- C. The process of training employees**
- D. The process of disciplining staff**

Recruitment is about filling a vacancy by finding people who could do the job and then choosing the best fit from those applicants. It involves attracting potential candidates through ads, job boards, agencies, or internal notices, and then selecting the most suitable person to hire. This makes it the right description for the process described in the option that talks about attracting and selecting suitable candidates. The other activities refer to different HR actions: promoting employees moves existing staff into new roles, training develops skills of current employees, and disciplining enforces rules or consequences for behavior.

3. What is the practice of moving employees between different tasks at the same level of responsibility called?

- A. Job rotation**
- B. Job enlargement**
- C. Job enrichment**
- D. Span of Control**

Moving employees between different tasks at the same level of responsibility is called job rotation. The idea is to vary what a worker does while keeping their position and level of authority the same. This broadens skills, helps cover for absences, reduces boredom from repetitive work, and gives staff a better understanding of how different parts of the business fit together. It's distinct from job enlargement, which adds more tasks to the same job (increasing workload without changing responsibility), and job enrichment, which gives more authority and decision-making within the job. Span of control, meanwhile, relates to how many subordinates a manager has, not to moving workers between tasks.

4. In Herzberg's two-factor theory, what is the effect of hygiene factors?

- A. They are solely financial incentives.**
- B. They have no impact on job satisfaction.**
- C. They prevent dissatisfaction but do not motivate.**
- D. They increase job satisfaction and motivation.**

In Herzberg's theory, hygiene factors are about the work environment and context. They prevent dissatisfaction rather than creating motivation. If these factors are inadequate, employees feel unhappy; if they're adequate, they remove dissatisfaction but don't actively increase motivation or overall job satisfaction. Real motivation comes from motivators like the work itself, achievement, recognition, responsibility, and advancement. So hygiene factors prevent dissatisfaction but do not motivate.

5. Which statement best contrasts on-the-job training with off-the-job training?

- A. On-the-job occurs at work using real tasks; off-the-job occurs away from work through courses.**
- B. On-the-job is only for new staff; off-the-job is for experienced staff.**
- C. On-the-job is always paid; off-the-job is unpaid.**
- D. On-the-job requires external trainers; off-the-job uses line managers.**

The key idea here is how and where the learning happens. On-the-job training happens right at the workplace and uses real tasks the employee would normally do, with learning happening as part of daily work and often guided by a line manager or experienced colleague. Off-the-job training happens away from the workplace, in a classroom or training venue (or online), and focuses on courses or structured learning that isn't tied to current tasks. That contrast is what the statement captures: training at work using real tasks versus training away from work through courses. It's the clearest way to show the difference in setting and in the type of activity involved. Other possibilities aren't as accurate because they mix up who can be trained, where training happens, or how it's delivered. On-the-job training isn't limited to new staff—it's used for ongoing development. Likewise, off-the-job training isn't restricted to experienced staff, and either form can be paid or unpaid or involve external trainers (the payment and trainers can vary). The essential distinction is the location and the nature of the tasks: real work versus course-based learning away from the job.

6. In an organization, which of the following is a line role?

- A. HR manager
- B. Production supervisor**
- C. IT support
- D. Marketing research analyst

This question tests understanding of line versus staff roles in an organization. A line role is someone who is directly involved in producing goods or delivering services and has direct authority over the people and activities that create the output. The production supervisor fits this, because they stand on the shop floor, oversee the production line, manage the workers, plan and adjust production schedules, and ensure the output meets targets and quality standards. They make decisions that affect the day-to-day running of production, which is the hallmark of a line role. Other roles like HR management, IT support, and marketing research analyst are typically staff roles. They provide essential services and expertise to support the business, but they don't oversee the core production process or have direct control over the production resources and day-to-day operations.

7. Which term describes the process of ending an employee's contract due to the role no longer being needed?

- A. Redundancy**
- B. Dismissal
- C. Induction Training
- D. Part-time Employment

Redundancy is when a job is no longer needed, so the employer ends the employee's contract. This happens when the business restructures, introduces new technology, or faces a downturn, causing a particular role to disappear rather than reflecting the employee's performance. It's about the job existing or not, not the person's conduct or capability, which is why it's the correct term here. Dismissal would be for reasons tied to the individual's behavior or performance, not because the role itself is redundant. Induction training is for new staff to learn about the job and the company, not for ending employment. Part-time employment describes the number of hours or the type of contract, not the reason for termination.

8. Which of the following is an extrinsic motivator?

- A. Personal pride
- B. Salary increase**
- C. Enjoyment of work
- D. Interest in learning

Motivation from outside the person is the idea here. An extrinsic motivator is something provided by others that adds a tangible reward or status. A salary increase is an external financial reward given by the employer to encourage better performance, so it is extrinsic. Personal pride, enjoyment of the work, and an interest in learning come from within the individual—internal satisfaction, feelings of achievement, or curiosity—so they are intrinsic motivators. In practice, businesses often use a mix of both to sustain motivation.

9. Which leadership style leaves broad objectives with employees to decide how to work?

- A. Autocratic Leadership**
- B. Democratic Leadership**
- C. Laissez-faire Leadership**
- D. Recruitment**

Letting broad objectives stand while giving employees the freedom to decide how to work is a style that emphasizes autonomy and trust. In this approach, the leader sets the overall goals but gives no micromanagement on methods, allowing staff to determine their own steps to reach those goals. This is characteristic of laissez-faire leadership, where control is handed over to the team and decisions about how to execute work are made by the employees themselves. This works best when the team is highly skilled, motivated, and capable of organizing their own tasks without constant supervision. It can spark creativity and rapid innovation, but it can also lead to a lack of direction if roles, priorities, or accountability aren't clear. Autocratic leadership keeps tight control and makes decisions without input, so it doesn't match leaving methods to employees. Democratic leadership involves collaboration and shared input, though the leader still provides direction and final decisions. Recruitment is about hiring, not a leadership style.

10. What is performance appraisal and why is it used?

- A. A casual chat about workload with no formal record.**
- B. A formal assessment of an employee's performance to inform pay, promotion, development, and succession decisions.**
- C. A one-time test of skills.**
- D. A measure of customer satisfaction with an employee.**

Performance appraisal is a formal, systematic process for assessing an employee's job performance over a period, producing a documented assessment. It informs decisions about pay, promotions, development needs, and succession planning, helping both the employee and the organization understand what's working well and what to improve. This is different from a casual chat about workload, which isn't formal and isn't recorded, and from a one-time skills test, which captures only a snapshot rather than ongoing performance. It isn't simply measuring customer satisfaction with an employee, though feedback from customers can be one part of performance inputs. The main use is to provide structured feedback, set development targets, identify training needs, and guide rewards and career progression decisions.

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!

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