

IGCSE EDEXCEL BUSINESS PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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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 a limitation of geographic and demographic segmentation that leads to lifestyle segmentation?**
 - A. They assume spending patterns are similar, which may not be true
 - B. They are too expensive to collect data
 - C. They only apply to online markets
 - D. They ignore product quality
- 2. Retailers typically source their goods from which option?**
 - A. Direct customers
 - B. Wholesalers
 - C. Manufacturers
 - D. Advertisers
- 3. Which of the following is an example of written communication?**
 - A. Face-to-face meeting
 - B. Letters
 - C. Verbal presentation
 - D. Oral instructions
- 4. Which statement indicates measurement of internet promotion impact?**
 - A. Hits and response can be measured
 - B. It cannot be tracked
 - C. It has no measurable results
 - D. It is always invisible to the advertiser
- 5. Which of the following is NOT an advantage to the franchisor?**
 - A. Franchisees take some of the risk
 - B. Fast method of growth
 - C. Cheaper method of growth
 - D. Franchisees may get merchandise from elsewhere
- 6. Which is a disadvantage of using noticeboards for internal communication?**
 - A. Can become untidy and open to abuse
 - B. Always precise and up-to-date
 - C. Secure from theft
 - D. Wireless connectivity issues

7. What is job rotation?

- A. Where employees alternate between different jobs during the course of their employment
- B. Mentoring
- C. Watching another worker
- D. Off-the-job training

8. What is the first stage of the recruitment process described?

- A. Advertise the job using appropriate media
- B. Identify type and number of staff needed
- C. Carry out interviews
- D. Give feedback to unsuccessful applicants

9. A business with high employee motivation may attract more applicants due to a good workplace reputation. Which statement best supports this?

- A. A business may attract more applicants
- B. It will not affect recruitment
- C. It will increase training costs
- D. It will reduce the need to interview

10. Which statement best describes promotional pricing?

- A. Abolishing prices completely
- B. Discounts and sales
- C. Promotional pricing
- D. Loss leaders

Answers

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

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Explanations

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1. What is a limitation of geographic and demographic segmentation that leads to lifestyle segmentation?

- A. They assume spending patterns are similar, which may not be true**
- B. They are too expensive to collect data
- C. They only apply to online markets
- D. They ignore product quality

Geographic and demographic segmentation group customers by location or basic attributes like age, gender, or income. A key limitation is the assumption that spending patterns within those groups are similar. In reality, people in the same area or with similar demographic traits can have very different budgets, preferences, and purchasing motivations. That mismatch means you can't reliably predict buying behavior from geography or demographics alone. Lifestyle segmentation addresses this by looking at how people live—their values, interests, activities, and opinions—which often explains why individuals within the same geographic or demographic group behave differently in the market. So the main point is that assuming similar spending within geographic or demographic groups is too simplistic, which leads brands to focus on lifestyle factors for more accurate targeting. The other ideas aren't the core reason: data collection costs, applicability to online markets, or overlooking product quality aren't the defining limitation of these broad bases.

2. Retailers typically source their goods from which option?

- A. Direct customers
- B. Wholesalers**
- C. Manufacturers
- D. Advertisers

Retailers typically source their goods through wholesalers because wholesalers act as the middle link in the supply chain. They buy in large quantities from manufacturers and then sell to retailers in smaller, more manageable lots, making stock replenishment practical for shops. This arrangement gives retailers access to a wide range of products from different manufacturers, often at lower unit costs due to bulk buying, and with convenient delivery terms. Direct customers are the end buyers, not suppliers; manufacturers produce the goods, but retailers usually obtain them via wholesalers to simplify sourcing. Advertisers handle promotion, not supply. So wholesalers are the standard source for retailers.

3. Which of the following is an example of written communication?

- A. Face-to-face meeting
- B. Letters**
- C. Verbal presentation
- D. Oral instructions

Written communication uses written words to convey information and create a record that can be read later. Letters fit this description because they are messages produced in writing and sent to someone, either on paper or digitally. The other options involve spoken language and immediate interaction: a face-to-face meeting is spoken conversation; a verbal presentation is delivered verbally to an audience; and giving oral instructions is also spoken. Therefore, letters are the clear example of written communication.

4. Which statement indicates measurement of internet promotion impact?

- A. Hits and response can be measured
- B. It cannot be tracked
- C. It has no measurable results
- D. It is always invisible to the advertiser**

Online promotion impact is shown through data collected from digital channels. When people see an online ad or visit a site, their actions—such as page views, clicks, sign-ups, or purchases—can be tracked and measured. Analytics tools then quantify these actions to show how much traffic, engagement, and conversions the promotion generates and to estimate ROI. That's why the idea that hits and responses can be measured best captures how online promotion is evaluated. Statements saying it cannot be tracked, has no measurable results, or is invisible to the advertiser don't reflect how digital analytics actually work.

5. Which of the following is NOT an advantage to the franchisor?

- A. Franchisees take some of the risk
- B. Fast method of growth
- C. Cheaper method of growth
- D. Franchisees may get merchandise from elsewhere**

Franchising helps the franchisor by spreading risk, enabling rapid growth, and allowing cheaper expansion since franchisees invest their own funds and run their stores within a set system. The idea of franchisees buying merchandise from elsewhere is not an advantage because it breaks the brand's control over product quality, price, and presentation. When franchisees source outside suppliers, the uniformity and bargaining power the franchisor relies on can disappear, hurting the whole network's consistency and value. So, sourcing from elsewhere undermines the franchisor's control and is not beneficial, while the other factors describe real benefits of franchising.

6. Which is a disadvantage of using noticeboards for internal communication?

- A. Can become untidy and open to abuse**
- B. Always precise and up-to-date
- C. Secure from theft
- D. Wireless connectivity issues

Noticeboards work as a simple way to share messages within a workplace, but their main drawback is that they can become untidy and open to abuse. Because anyone can post or remove notices and there's often no check on accuracy, information can stay up too long, be outdated, or be altered without proper authority. This makes important messages easy to miss, and the overall system can look messy and untrustworthy. The other statements don't describe a typical disadvantage of a noticeboard. Being always precise and up-to-date isn't realistic for a physical board, so that claim isn't accurate. Security from theft isn't guaranteed because a board in a communal area can be accessed by many people. Wireless connectivity issues don't apply to a traditional paper noticeboard, which doesn't rely on digital connections.

7. What is job rotation?

- A. Where employees alternate between different jobs during the course of their employment**
- B. Mentoring
- C. Watching another worker
- D. Off-the-job training

Job rotation is about moving employees between different jobs or tasks within the workplace so they gain experience in multiple areas during their time with the company. This helps workers build a broader skill set, stay engaged, and become more flexible for covering absences or busy periods. For example, someone might rotate through production, quality control, and customer service to understand how the whole operation fits together. This fits the concept because it focuses on changing the actual tasks an employee does, rather than how they learn or who guides them. Mentoring is about a more experienced person guiding a less experienced one over time. Watching another worker is simply supervision or observation. Off-the-job training happens away from the regular work environment, like a workshop or course, and doesn't involve performing different tasks at work.

8. What is the first stage of the recruitment process described?

- A. Advertise the job using appropriate media
- B. Identify type and number of staff needed**
- C. Carry out interviews
- D. Give feedback to unsuccessful applicants

The main idea here is the order of steps in recruiting. Before you do anything like post a job or interview people, you first need to work out exactly what kind of roles you need and how many staff are required. That planning step guides everything that follows, including how you write the job description, what skills you're looking for, and how many positions you'll advertise for. So the first stage is identifying the type and number of staff needed. If you skip this, you might advertise for the wrong roles or hire too many or too few people, wasting time and money. Advertising, interviews, and giving feedback all come after you've determined the need, based on the organization's goals, workload, and budget.

9. A business with high employee motivation may attract more applicants due to a good workplace reputation. Which statement best supports this?

- A. A business may attract more applicants**
- B. It will not affect recruitment
- C. It will increase training costs
- D. It will reduce the need to interview

A business with highly motivated employees builds a positive workplace image that many people want to be part of. That kind of reputation acts like a magnet for job seekers, expanding the pool of applicants and making it more likely the company will attract capable candidates. The other statements don't fit because motivation and reputation don't automatically eliminate recruitment needs, raise training costs, or reduce the number of interviews required—these processes still occur even with a good reputation. So the best support is that it may attract more applicants.

10. Which statement best describes promotional pricing?

A. Abolishing prices completely

B. Discounts and sales

C. Promotional pricing

D. Loss leaders

Promotional pricing is about temporarily reducing prices to attract customers and boost sales. The statement describing this idea as discounts and sales captures the core action involved—lowering prices for a limited time or for a specific promotion. Abolishing prices completely isn't how marketing works, since prices help signal value and guide purchase decisions. While the term "promotional pricing" describes the approach, it doesn't by itself explain what happens; discounts and sales show the actual tactic. Loss leaders are a particular tactic within promotional pricing where one item is sold at a loss to draw customers in, so it's related but not the general description of promotional pricing.

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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://igcseedexcelbusiness.examzify.com>

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

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