

# WJEC General Certificate of Secondary Education (GCSE) Business Studies 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. Which leadership style places full control with the leader and expects workers to obey?**
  - A. Laissez-faire Leadership Style**
  - B. Participative Leadership Style**
  - C. Autocratic Leadership Style**
  - D. Democratic Leadership Style**
  
- 2. Which term describes the non-varying cost that a business must pay regardless of output?**
  - A. Fixed Costs**
  - B. Overheads**
  - C. Variable Costs**
  - D. Semi-variable Costs**
  
- 3. Which process is responsible for anticipating, identifying and satisfying customer needs profitably?**
  - A. Marketing**
  - B. Cost Plus Pricing**
  - C. Wholesaler**
  - D. Retailer**
  
- 4. Which training is designed to introduce new workers to the company and their role?**
  - A. Macro Economics**
  - B. Fixed Costs**
  - C. Induction Training**
  - D. Corporation Tax**
  
- 5. When a business makes its product unique from others, this strategy is known as what?**
  - A. Product Differentiation**
  - B. Brand**
  - C. Product Range**
  - D. USP**

- 6. Which leadership style describes decision making that is shared among the team?**
- A. Autocratic Leadership Style**
  - B. Democratic Leadership Style**
  - C. Laissez-faire Leadership Style**
  - D. Participative Leadership Style**
- 7. Planned actions by a trade union to press for better conditions are known as?**
- A. Collective Bargaining**
  - B. Industrial Action**
  - C. Trade Unions**
  - D. Overtime Ban**
- 8. Which tax is charged on individuals' earnings?**
- A. Income Tax**
  - B. Value Added Tax**
  - C. National Insurance**
  - D. Corporation Tax**
- 9. Which term equals current assets minus current liabilities?**
- A. Current Assets**
  - B. Net Current Assets/Working Capital**
  - C. Net Assets**
  - D. Capital**
- 10. Which pricing approach involves charging a high price at launch to maximise profits on each item?**
- A. Competitive Pricing**
  - B. Extension Strategies**
  - C. Penetration Pricing**
  - D. Skimming/Creaming**

## **Answers**

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

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## **Explanations**

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**1. Which leadership style places full control with the leader and expects workers to obey?**

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

Autocratic leadership is where the leader retains all control and makes decisions with little or no consultation. Subordinates are expected to obey instructions and follow directions without input. This top-down approach places full authority with the leader, which can lead to quick, decisive action when needed. It's often used in situations requiring speed or where tasks are simple and workers lack experience. However, it can reduce motivation and creativity because employees have little say in decisions. By contrast, laissez-faire offers freedom to workers, while participative and democratic styles involve sharing input and decision-making.

**2. Which term describes the non-varying cost that a business must pay regardless of output?**

- A. Fixed Costs**
- B. Overheads**
- C. Variable Costs**
- D. Semi-variable Costs**

Fixed costs are costs that do not change with the level of production. They must be paid even if nothing is produced, so they stay the same whether you make zero units or thousands. Examples include rent, insurance, and salaried staff who aren't paid per unit produced. Because the question describes a cost that remains constant regardless of output, fixed costs is the best term. Variable costs, in contrast, rise and fall with output (like raw materials or direct labor tied to production). Semi-variable costs have a fixed component plus a variable component, so they don't stay completely constant as activity changes. Overheads are indirect costs and can be fixed or variable, but the description fits fixed costs most precisely.

**3. Which process is responsible for anticipating, identifying and satisfying customer needs profitably?**

**A. Marketing**

**B. Cost Plus Pricing**

**C. Wholesaler**

**D. Retailer**

Marketing is about anticipating, identifying and satisfying customer needs profitably. It starts with market research to understand what customers want, who they are, and how they behave. It then uses that information to design products, set prices, promote them, and decide where to sell so that value is delivered to customers while the business earns a profit. The goal is to align what the firm offers with customer desires and willingness to pay, ensuring profitability through customer satisfaction. Cost-plus pricing focuses only on how a product is priced—adding a markup to cost—so it doesn't cover the whole process of finding and meeting needs. Wholesalers and retailers are parts of the distribution channel rather than the activity of discovering and satisfying customer needs; they help move products to customers but don't by themselves plan or deliver the overall value proposition.

**4. Which training is designed to introduce new workers to the company and their role?**

**A. Macro Economics**

**B. Fixed Costs**

**C. Induction Training**

**D. Corporation Tax**

The idea being tested is onboarding new staff so they understand the company and what their job entails. Induction training is designed exactly for this: it welcomes new workers, explains the company's structure, values, policies, safety rules, and their specific role. It helps them know who to talk to, how things operate, and what is expected of them, so they can start contributing quickly and confidently. The other options aren't about getting new employees up to speed. Macroeconomics deals with the broader economy, not training. Fixed costs are a type of business cost, not a training activity. Corporation tax is a tax on profits, not a training concept.

**5. When a business makes its product unique from others, this strategy is known as what?**

**A. Product Differentiation**

**B. Brand**

**C. Product Range**

**D. USP**

Product differentiation is about making your product stand out from rivals by offering unique features, design, quality, or services that customers notice and value. This strategy helps a business attract a specific group of customers, justify higher prices, or build loyalty because the product feels different in a positive way. The other terms relate to different ideas: a brand is the overall image and reputation of the business; a product range is the variety of products offered; a USP is a specific claim of what makes the product unique, which is part of differentiation but not the whole strategy itself.

**6. Which leadership style describes decision making that is shared among the team?**

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

Sharing decision making with the team is the hallmark of the democratic style. In this approach, the leader invites input, discusses options with others, and decisions are made with the group's involvement—often by consensus or majority. This leads to better buy-in, motivation, and decisions that benefit from diverse perspectives, especially when the team has relevant knowledge. Autocratic leadership centers on the leader making decisions alone, without team input. Laissez-faire is more hands-off, with the leader stepping back and the team largely guiding itself. Participative leadership also involves team input, but in this context the description of sharing decisions most clearly matches democratic leadership, which specifically emphasizes collective decision making and involvement.

**7. Planned actions by a trade union to press for better conditions are known as?**

- A. Collective Bargaining**
- B. Industrial Action**
- C. Trade Unions**
- D. Overtime Ban**

Industrial action is the deliberate, planned moves by workers organized through a trade union to press for better pay and conditions. It covers actions such as strikes, overtime bans, or work-to-rule, aimed at applying pressure on the employer. The situation described—actions planned by a trade union to improve conditions—fits this idea exactly. Collective bargaining is the negotiation process to reach an agreement, not the disruptive actions themselves. A trade union is the organization that coordinates such actions, not the actions. An overtime ban is one specific form of industrial action, but the general term for these coordinated actions is industrial action.

**8. Which tax is charged on individuals' earnings?**

- A. Income Tax**
- B. Value Added Tax**
- C. National Insurance**
- D. Corporation Tax**

The idea being tested is which tax directly relates to the money people earn from work. Income tax is charged on individuals' earnings, typically deducted through payroll as PAYE, with a personal allowance that reduces the amount taxed and tax bands that apply higher rates to higher incomes. This is the tax tied specifically to personal income. Value Added Tax is a charge on goods and services at the point of sale, not on earnings. National Insurance contributions are payroll deductions that fund benefits and pensions and are separate from income tax. Corporation Tax is charged on company profits, not individual earnings.

**9. Which term equals current assets minus current liabilities?**

- A. Current Assets
- B. Net Current Assets/Working Capital**
- C. Net Assets
- D. Capital

The concept being tested is short-term liquidity—whether a business has enough resources to cover what it owes soon. Current assets minus current liabilities gives net current assets, also called working capital. This figure shows the cushion available to pay day-to-day bills and keep operations running without needing extra finance. Current assets are things the business can turn into cash within a year (like cash, stock, and amounts owed to the business), while current liabilities are what must be paid within a year (such as payables and short-term borrowings). Subtracting the two directly measures how much readily usable funding remains to meet near-term obligations. If the result is positive, the business should manage its short-term debts; if negative, there may be liquidity issues. Net assets, by contrast, is total assets minus total liabilities and reflects overall net worth, not the short-term liquidity. Capital usually refers to the funds invested or the long-term financing base, not the immediate surplus of current assets over current liabilities.

**10. Which pricing approach involves charging a high price at launch to maximise profits on each item?**

- A. Competitive Pricing
- B. Extension Strategies
- C. Penetration Pricing
- D. Skimming/Creaming**

Price skimming is the idea here. It means setting a high price when a new item first launches to capture as much profit as possible from customers who are willing to pay a premium for something new or unique. This high margin helps recover development costs quickly and can create a premium image. As sales slow or as competitors enter, the price is gradually lowered to attract more price-sensitive buyers, extending the product's life in the market. This approach contrasts with pricing that starts low to win market share quickly, or pricing that simply mirrors competitors. The term "cream" in this context is about taking the top profit from the most willing-to-pay customers at the start.

## 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](mailto:hello@examzify.com).**

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

**<https://wjecgcsebusinessstudies.examzify.com>**

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

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