WJEC GENERAL CERTIFICATE OF SECONDARY EDUCATION (GCSE) BUSINESS STUDIES 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

1. **Which term describes gathering existing information from sources such as articles and websites?**
   A. Primary (Field) Research
   B. Secondary (Desk) Research
   C. Saturation
   D. Extension Strategies

2. **Fixed assets + net current assets equals what?**
   A. Net Assets
   B. Current Assets
   C. Net Current Assets/Working Capital
   D. Capital

3. **Which term describes the number of people a manager is directly responsible for?**
   A. Span of Control
   B. Chain of Command
   C. Subordinates
   D. Net Pay

4. **Which term describes money invested by shareholders on the balance sheet?**
   A. Capital (balance sheets)
   B. Net Assets
   C. Current Liabilities
   D. Net Current Assets/Working Capital

5. **Large businesses can afford to advertise in the mass media which reduces average cost per person.**
   A. Marketing Economies of Scale
   B. Purchasing Economies of Scale
   C. Financial Economies of Scale
   D. Administrative Economies

6. What is the correct formula for breakeven point in units?

A. (Selling Price - Variable Costs) ÷ Fixed Costs

B. Total Costs ÷ (Selling Price - Variable Costs)

C. Fixed Costs ÷ (Selling Price - Variable Costs)

D. Fixed Costs ÷ Selling Price

7. An asset which can be used in the long term, e.g. A piece of machinery, is called?

A. Current Assets

B. Intangible Assets

C. Cash

D. Fixed Assets

8. The number of people directly managed by a supervisor is called what?

A. Span of Control

B. Subordinates

C. Direct Reports

D. Direct Managers

9. Which loan is borrowed from a bank and repaid, with interest, over a period of 0-3 years?

A. Hire Purchase

B. Trade Credit

C. Short-Term Loan

D. Long-Term Loan

10. Formula for Breakeven?

A. Fixed Costs ÷ (Selling Price - Variable Costs)

B. Total Costs ÷ Selling Price

C. Variable Costs ÷ Fixed Costs

D. Selling Price - Variable Costs

Answers

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

Explanations

1. Which term describes gathering existing information from sources such as articles and websites?

A. Primary (Field) Research

B. Secondary (Desk) Research

C. Saturation

D. Extension Strategies

Using information that already exists from articles, websites, and reports is called secondary data collection. This is desk research because you pull together published information from sources rather than gathering new data yourself in the field. This differs from primary research, where you collect new data directly through surveys, interviews, or experiments. Saturation refers to the point in qualitative research when no new insights emerge, not to the act of using existing sources. Extension strategies are about expanding a product or market, not about data collection. So the best term for gathering existing information from sources is secondary (desk) research.

2. Fixed assets + net current assets equals what?

A. Net Assets

B. Current Assets

C. Net Current Assets/Working Capital

D. Capital

Net assets show the value of what the business owns after liabilities are taken into account. Net current assets is current assets minus current liabilities. When you add fixed assets to net current assets, you're combining the business's long-term resources with its surplus after short-term obligations, which represents the overall asset position available to the owners. In a simple balance sheet (with no long-term liabilities), this total equates to net assets. For example, if fixed assets are 300 and net current assets are 100, the combination is 400, which is the net assets (the owners' claim on the assets after liabilities).

3. Which term describes the number of people a manager is directly responsible for?

A. Span of Control

B. Chain of Command

C. Subordinates

D. Net Pay

Span of control is the term used to describe how many people a manager directly supervises. It matters because it defines how many direct reports a manager has, which influences supervision quality, communication, and the structure of the organization. A wider span means more people reporting to one manager, often resulting in a flatter organization; a narrower span means fewer direct reports and a taller hierarchy. The other terms describe different ideas: chain of command is about who has authority and the reporting lines, subordinates are the people who report to a manager, and net pay is the take-home salary after deductions.

4. Which term describes money invested by shareholders on the balance sheet?

A. Capital (balance sheets)

B. Net Assets

C. Current Liabilities

D. Net Current Assets/Working Capital

On a balance sheet, the money put in by the owners is recorded as capital. This represents the funds shareholders have invested in the business and sits in the equity section of the balance sheet. It changes when owners inject more money or when profits are retained or distributed. It's not current liabilities (short-term debts) or net current assets/working capital (the difference between current assets and current liabilities); it also isn't the general net assets concept, which is assets minus liabilities. So the term for shareholder-provided funds is capital.

5. Large businesses can afford to advertise in the mass media which reduces average cost per person.

A. Marketing Economies of Scale

B. Purchasing Economies of Scale

C. Financial Economies of Scale

D. Administrative Economies

This question tests marketing economies of scale. Advertising in mass media is a fixed cost—the expense is incurred regardless of how many items are sold. As a business increases its output and sales, that fixed advertising cost can be spread over a larger number of units or people reached, so the average cost per unit (or per person) falls. Large firms can afford to pay for broad campaigns, making the per-person cost lower as volume rises. The other types of economies don't describe this effect. Purchasing economies come from cheaper input costs by buying in bulk, financial economies come from better borrowing terms, and administrative economies come from spreading overheads more broadly. The scenario specifically highlights the cost-reduction from spreading a fixed marketing expense over more units, which is why marketing economies of scale is the best fit.

6. What is the correct formula for breakeven point in units?

A. (Selling Price - Variable Costs) ÷ Fixed Costs

B. Total Costs ÷ (Selling Price - Variable Costs)

C. Fixed Costs ÷ (Selling Price - Variable Costs)

D. Fixed Costs ÷ Selling Price

Breakeven in units shows how many items must be sold to cover all costs. Each unit sold adds a contribution to fixed costs equal to the selling price minus the variable cost per unit. When you multiply that contribution by the number of units, you get the amount available to cover fixed costs. At the break-even point, the total contribution exactly equals the fixed costs. So the required number of units is fixed costs divided by the contribution per unit (selling price minus variable cost). For example, if fixed costs are 5,000, the selling price is 50 and the variable cost is 30, the contribution per unit is 20, so break-even in units is 5,000 ÷ 20 = 250 units. The other formulas don't fit because they either mix units and money incorrectly, use total costs instead of fixed costs, or ignore variable costs altogether.

7. An asset which can be used in the long term, e.g. A piece of machinery, is called?

A. Current Assets

B. Intangible Assets

C. Cash

D. Fixed Assets

A long-term, tangible item used in the business's operations is a fixed asset. Fixed assets are physical resources that stay with the company for more than a year and help run production or provide services. A piece of machinery is a classic example because it's durable, used over many years, and not intended to be sold in the ordinary course of business. This differs from current assets, which are expected to be turned into cash within a year (like cash or stock). Intangible assets are long-term but non-physical (such as patents or licenses), while cash is itself a current asset. So the term that best fits a long-term, tangible asset like machinery is fixed asset.

8. The number of people directly managed by a supervisor is called what?

A. Span of Control

B. Subordinates

C. Direct Reports

D. Direct Managers

Span of control is the number of people a supervisor directly manages. It's the measure of how wide a manager's direct supervision extends, telling you how many subordinates report to them and how many they must oversee day to day. The term captures the scope of a manager's direct responsibility, which is exactly what the question asks for. Subordinates refers to the people being managed, not the count itself; direct reports are those who report to the manager, again describing the group rather than the size of that group; direct managers would be the supervisors, not the number they oversee.

9. Which loan is borrowed from a bank and repaid, with interest, over a period of 0-3 years?

A. Hire Purchase

B. Trade Credit

C. Short-Term Loan

D. Long-Term Loan

This question tests understanding of a bank loan designed for short-term financing. A short-term loan is money borrowed from a bank and repaid with interest over a period that can be up to three years, making it suitable for managing working capital or cash-flow gaps. Hire purchase is mainly asset financing where you repay to eventually own the asset, and it may involve longer-term repayments and different lenders. Trade credit is credit granted by suppliers, not a bank loan, and is typically renegotiated terms for payment rather than a formal bank loan with a set repayment period. A long-term loan is repaid over more than three years, so it doesn't fit the 0–3 year window. Therefore, the option that best matches borrowing from a bank and repaying with interest within 0–3 years is the short-term loan.

10. Formula for Breakeven?

A. Fixed Costs ÷ (Selling Price - Variable Costs)

B. Total Costs ÷ Selling Price

C. Variable Costs ÷ Fixed Costs

D. Selling Price - Variable Costs

Break-even happens when total revenue just covers total costs, so each unit sold must contribute enough to cover fixed costs after covering variable costs. The amount each unit contributes is the selling price minus the variable cost per unit. To find how many units you need to sell to cover fixed costs, you divide the fixed costs by that per-unit contribution. That is why the formula is fixed costs ÷ (selling price − variable costs). For example, if fixed costs are 1,000, the selling price is 50 and the variable cost per unit is 30, the contribution per unit is 20, so break-even units = 1,000 ÷ 20 = 50. At 50 units, revenue (50×50) equals total costs (50×30 plus 1,000). The other options don't give the break-even quantity: total costs ÷ selling price ignores fixed/variable separation; variable costs ÷ fixed costs has no units interpretation for break-even; selling price − variable costs is just the contribution per unit, not the quantity needed.

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://wjecgcsebusinessstudies.examzify.com

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