

# Pearson BTEC (QCF)

## Understand Business

Level 2 – R/506/2957

2015 – Practice Test

**Time: 60 minutes**

Paper Reference

**ML-2-08-PT**

### You must have:

Multiple choice answer sheet  
Black pen

### Instructions

- Use **black** ink or ball-point pen.
- Answer **all** questions.
- Encircle your answers on the separate answer sheet.

### Information

- The total mark for this paper is 40.
- The marks for **each** question are shown in brackets

### Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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- 1** How do Intellectual Property Rights affect the use of information? (1)
- Select **one** option.
- A** It allows information to be freely copied without permission
  - B** Permission for use must be given by the information owner
  - C** Personal information used must be kept up to date
  - D** It dictates how information should be destroyed
- 2** A business needs to compare its current financial performance with that of its competitors. Which of these will help them do this? (1)
- Select **one** option.
- A** Customer surveys
  - B** Annual objectives
  - C** Product ranges
  - D** Total sales
- 3** How does team performance information assist management decisions and reporting? (1)
- Select **one** option.
- A** By informing workforce planning
  - B** By informing product range
  - C** By informing risk assessment
  - D** By informing customer expectations
- 4** An organisation has introduced new machinery to improve production. How should the organisation ensure it meets the Provision and Use of Work Equipment Regulations? (1)
- Select **one** option.
- A** Inform customers of the new machinery
  - B** Instruct all stakeholders about the machinery
  - C** Train relevant operators how to use the machinery
  - D** Communicate machinery capabilities to suppliers
- 5** A team leader produces a report on team members' stationery usage. How will this information be used? (1)
- Select **one** option.
- A** To coordinate training programmes
  - B** To inform the allocation of resources
  - C** To identify potential safety risks
  - D** To identify work responsibilities

6 When conducting a SWOT analysis, which of these is considered a strength to a business? (1)

Select **one** option.

- A Strong competitors
- B Skilled workforce
- C Favourable legislation
- D High customer demand

7 An income statement has been produced and given to a manager. What will this be used for? (1)

Select **one** option.

- A To monitor profit performance
- B To calculate current liabilities
- C To identify creditors
- D To value assets

8 A team leader has been asked to produce a business plan. Which of these needs to be included? (1)

Select **one** option.

- A Copies of promotional literature
- B Customers' personal information
- C Goals to be achieved
- D Author's personal opinion

9 Match the financial terms with the correct descriptions. (2)

Match each financial term to the correct description.

**Financial term**      **Description**

- |               |  |
|---------------|--|
| (i) Cash flow | <b>A</b> A record of organisational assets minus current liabilities |
| (ii) Debtors  | <b>B</b> Those to whom the organisation owes money                   |
|               | <b>C</b> Anything owned by the organisation                          |
|               | <b>D</b> A movement of money in and out of an organisation           |
|               | <b>E</b> Those who owe money to the organisation                     |

10 How would business risk management help to reduce loss of customers? (1)

Select **one** option.

- A By restricting communication
- B By encouraging independent working
- C By reducing training
- D By identifying issues

- 11** How should a team leader use a budget when planning a new project? (1)
- Select **one** option.
- A** To monitor individuals' performance
  - B** To set targets
  - C** To review trends
  - D** To resolve problems
- 12** An organisation needs to review its management of business risks to help it improve its reputation. Why is this important? (1)
- Select **one** option.
- A** To help attract investors
  - B** To identify employee opportunities
  - C** To encourage sustainability
  - D** To help plan work schedules
- 13** Which of these is a way to measure customer satisfaction? (1)
- Select **one** option.
- A** Analysis of social media reviews
  - B** Review of investment performance
  - C** Valuation of current assets
  - D** Calculation of net profit
- 14** Which of these is an external constraint that would impact on a business plan? (1)
- Select **one** option.
- A** Introduction of new machinery
  - B** Changes in premises location
  - C** Introduction of new work schedules
  - D** Changes in a supplier's financial status
- 15** A new public sector organisation has been created. Who is responsible for the ownership of this? (1)
- Select **one** option.
- A** Shareholders
  - B** A charity
  - C** The government
  - D** Partners

**16** A business is improving its customer service procedures.  
How will this benefit the business? (1)

Select **one** option.

- A** Advantage over competitors
- B** More people employed
- C** Increased costs
- D** Improved workplace facilities

**17** What occurs when a team leader's decision-making power is given to a team member? (1)

Select **one** option.

- A** Delegation of responsibility
- B** Delegation of resources
- C** Delegation of duty
- D** Delegation of authority

**18** Which of these is an external influence on a business? (1)

Select **one** option.

- A** Type of ownership
- B** Working conditions
- C** A recession
- D** A restructure

**19** What would be used in an organisation to identify likely future sales? (1)

Select **one** option.

- A** A trend report
- B** An appraisal review
- C** A succession plan
- D** A balance sheet

**20** Which of these explains a way in which a business should use the planning cycle? (1)

Select **one** option.

- A** To enhance reputation
- B** To evaluate success
- C** To produce advertisements
- D** To negotiate contracts

- 21** What is a purpose of the business planning process? (1)
- Select **one** option.
- A** To identify individual performance
  - B** To schedule staff holiday periods
  - C** To encourage competitors
  - D** To help identify potential problems
- 22** An individual has purchased shares on the stock exchange. What type of organisation do they own shares in? (1)
- Select **one** option.
- A** A partnership
  - B** Private limited company
  - C** A social enterprise
  - D** Public limited company
- 23** This is a **two** part question. Please answer both parts. (1)
- A team leader has been appointed to plan and manage a recruitment open day for potential employees.
- (i) What is the team leader able to delegate to team members?
- Select **one** option.
- A** Accountability for the entire day
  - B** Authority to make specific decisions
- (ii) Who is responsible for the success of the event?
- Select **one** option.
- A** Team leader
  - B** Team member
- 24** How does the voluntary sector differ from the private sector? (1)
- Select **one** option.
- A** It benefits public interests
  - B** It generates taxes for the government
  - C** It generates profit from competitive services
  - D** It provides profits for its shareholders
- 25** Which of these is an example of delegation of responsibility from a team leader? (1)
- Select **one** option.
- A** Asking a team member for advice
  - B** Asking a manager for support with completing workload
  - C** Asking a manager to solve a problem
  - D** Asking a team member to organise completion of a task

**26** A team leader has been instructed to conduct a SWOT analysis of their team.  
How should the outcome of this analysis be utilised? (1)

Select **one** option.

- A** To monitor progress of the project
- B** To plan for future developments
- C** To evaluate changes in sales
- D** To inform about competitor activities

**27** How do an organisation's objectives help it to achieve its vision? (1)

Select **one** option.

- A** By setting specific organisational goals
- B** By identifying what the organisation does
- C** By identifying who the organisation serves
- D** By outlining how the organisation works

**28** How would an organisation be able to implement new sustainable ways of working? (2)

Select **two** options.

- A** Allowing unrestricted internet access
- B** Recycling office waste
- C** Providing printing facilities
- D** Providing parking facilities
- E** Reusing packaging

**29** This is a **two** part question. Please answer both parts. (1)

Two individuals decide to set up a profit-making limited company.

(i) What sector will this organisation be in?

Select **one** option.

- A** Public
- B** Private

(ii) Who will be responsible for this organisation?

Select **one** option.

- A** The trustees
- B** The shareholders

**30** The directors of an organisation have asked for a brief description of the nature of a new project.  
Which part of the project business plan should they be sent? (1)

Select **one** option.

- A** Introduction
- B** Appendices
- C** References
- D** Recommendations

**31** Which of these is a reason that a vision statement is communicated across an organisation? (1)

Select **one** option.

- A** To allow potential hazards to be identified
- B** To satisfy stakeholders
- C** To enable appropriate objectives to be set
- D** To protect employee interests

**32** What is the purpose of a balance sheet? (1)

Select **one** option.

- A** To show the money that is circulating in an organisation to finance work in progress
- B** To show the movement of money in and out of an organisation at any point
- C** To show a snapshot of an organisation's financial situation at the current time
- D** To show an organisation's income and profits over a period of time

**33** Which of these is an example of a team leader's accountability within an organisation? (1)

Select **one** option.

- A** Accountability can be transferred to another team leader
- B** The team leader is accountable for their manager's decisions
- C** Accountability cannot be delegated to team members
- D** The team leader is not accountable for their team's actions

**34** Which of these is an internal influence on an organisation? (1)

Select **one** option.

- A** Current skill levels of employees
- B** Increase in customer demand
- C** Changes in the local economy
- D** New government regulations



**35** Who is responsible for managing a cooperative organisation in the private sector? (1)

Select **one** option.

- A** Volunteers
- B** The government
- C** Stakeholders
- D** The members

**36** A business is expanding and plans to introduce new services. What information will the business need? (1)

Select **one** option.

- A** Additional staffing requirements
- B** Analysis of assets
- C** Current sales figures
- D** Past appraisal reviews

**37** What information is a team leader responsible for sharing when working with another team? (1)

Select **one** option.

- A** Availability of shareable resources
- B** Confidential details about staff
- C** Individuals' career aspirations
- D** Individuals' developmental targets

**38** An organisation maintains a database containing customers' personal information. Which of these is it required to do under data protection legislation? (1)

Select **one** option.

- A** Prevent customers from seeing their information
- B** Ensure information is stored publicly
- C** Share customer information with competitors
- D** Keep information for no longer than necessary

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**TOTAL FOR PAPER = 40 MARKS**