



Pearson  
Edexcel

# GCSE (9-1)

Theme 1.5.5 Retrieval Resource  
**Business**  
External influences



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## Retrieval Quiz - 1.5.5: External influences

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**Questions:**

1. Define the term **external influences**.

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2. Give **two** ways that the economic climate can impact on a business.

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3. Define the term **legislation**.

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4. Which would be the most likely impact on a business arising from a period of economic growth?

- A. Falling levels of consumer spending
- B. Increased levels of competition
- C. Lower sales revenue
- D. Reduced fixed costs

5. Give **one** way that a business can respond to changes in legislation.

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**Answers:**

1. Define the term **external influences**.

Factors outside of the control of a business but that influence the actions of the business. Examples include the economy and technology.

2. Give **two** ways that the economic climate can impact on a business.

Higher sales during periods of economic growth

Lower wages during period of slow economic growth

More competition during periods of strong economic growth

Higher interest rates when inflation is rising

3. Define the term **legislation**.

The laws that people and businesses in a country must comply with.

4. Which would be the most likely impact on a business arising from a period of economic growth?

A. Falling levels of consumer spending

**B. Increased levels of competition**

C. Lower sales revenue

D. Reduced fixed costs

5. Give **one** way that a business can respond to changes in legislation.

Increase wages if required by legislation

Change production methods

Relocate to a different country