

Pearson Edexcel

GCSE (9-1)

Theme 2.1.2 Retrieval Resource: Business

Changes in business aims and objectives



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Retrieval Quiz - 2.1.2: Changes in business aims and objectives

Questions:

1. Which **one** of the following is the **most** important objective to a business focused on survival?

A Improving cash-flow

B Improving market share

C Improving profit

D Improving revenue

2. Give **two** reasons why a business may want to exit a market.

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3. Which **two** of the following would be drawbacks to a business from increasing its product range?

A Ability to cancel under-performing products

B Ability to generate higher sales

C Higher growth opportunities

D Higher research and development costs

E Sales staff may require extra training

4. Give **two** drawbacks to a business of reducing its workforce.

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5. Give **two** reasons why a business may decide to change its objectives.

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Answers:

1. A

2.

- Changes in legislation
- Changes in technology/product become obsolete
- Declining market size
- Increased competition/market becomes saturated
- Other markets offer great growth/profit potential

3. D and E

4.

- May be harder to recruit workers in the future
- May lose workers with specific skills
- Motivation of the remaining workers may fall
- The business may have to make redundancy payments

5.

- Change in legislation
- Change in market conditions
- Change in technology
- Change in the performance of the company
- Internal reasons e.g. poor cash-flow