



Pearson
Edexcel

GCSE (9-1)

Theme 2.1.2 Retrieval Resource:
~~Business~~ Changes in business aims and objectives





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