Pearson Edexcel

GCSE (9-1)

Theme 2.1.1 (Part 1) Retrieval Resource: Business Growth

Retrieval Quiz - 2.1.1 (Part 1): Business Growth

Questions:

1. Which **one** of the following is a method of external growth?

A Changing the marketing mix

B Developing products for new markets

C Merger with another business

D Opening shops in new markets

2. Give **one** drawback to a business of organic growth.

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3. Which **two** of the following are benefits to a business of internal growth?

A Growth is faster than external growth

B Diseconomies of scale may occur

C Less risk compared to inorganic growth

D Lower average total costs

E Lower total costs

4. Give **two** benefits of growing a business by expanding overseas.

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5. Give **two** impacts on a business if it grows through research and development.

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Answers:

1. C

2.

- Can be slow
- Business may miss out of higher profits in faster growing markets

3. C and D

4.

- Ability to take advantage of cheap labour/lower costs
- Economies of scale/lower average total costs
- Increased sales
- Larger market size
- Reduces risk if one market declines

5.

- Ability to get a patent
- Higher costs
- Innovative products
- R&D may not be successful
- Stronger brand name