

GCSE Business

Pearson Edexcel Level 1 / Level 2 (9–1)

Year 11 November Mock

Theme 1: Investigating Small Business

Revision Checklist

'Why this, why now' + RAG self-assessment

Use this to plan your revision and track your confidence.

Name: _____

Class / Teacher: _____

How to use this checklist

This is your MAP for revising Theme 1 for the November mock. For each sub-topic:

1. Read the "What you need to know" column this is the FULL specification for that sub-topic.
2. Read the "Why this, why now" column this tells you WHY this topic matters for THIS mock.
3. Rate your confidence in the RAG column: R (red) = need to relearn from scratch; A (amber) = shaky, need more practice; G (green) = confident, can explain to another student.
4. After every revision session, update your RAG. Green does not mean "seen it" it means "can score full marks".
5. Bring this to Friday P4 intervention if you have been selected we will focus on your RED and AMBER topics.

MOCK EXAM DETAILS

Paper: Theme 1 Investigating Small Business

Duration: 1 hour 45 minutes | Total marks: 90

Structure: Section A (Multiple choice + short answer) + Section B (case study) + Section C (case study)

Command words: State, Identify, Outline, Calculate, Explain, Discuss, Analyse, Justify, Evaluate

1.1 Enterprise and entrepreneurship

Spec	Sub-topic	What you need to know	Why this, why now	R/A/G	Done
1.1.1	The dynamic nature of business	Why new business ideas come about: changes in technology; changes in what consumers want; products/services becoming obsolete.	<i>Foundation for every 6/9-mark answer about why businesses change or start. Comes up almost every year as short answer.</i>	☐	☐
1.1.2	Risk and reward	Financial risk (loss/lack of security); non-financial risk. Rewards: profit, independence, personal satisfaction.	<i>High-frequency 6/9-mark topic. Mock will likely have a Justify question weighing risk vs reward for a start-up.</i>	☐	☐
1.1.3	The role of business enterprise	What business does (goods/services), customer needs, adding value (branding, USP, quality, convenience, design), role of the entrepreneur.	<i>Underpins ALL themes. "Adding value" is easy marks if you know 4-5 methods. Frequently in 3-mark Explain.</i>	☐	☐

1.2 Spotting a business opportunity

Spec	Sub-topic	What you need to know	Why this, why now	R/A/G	Done
1.2.1	Customer needs	Identifying and understanding customer needs: price, quality, choice, convenience. Consequences of not meeting them.	<i>Sets up market research (1.2.2). Common source of easy 2-3 marks.</i>	☐	☐
1.2.2	Market research	Primary (surveys, interviews, focus groups, observation) vs secondary (internet, gov data, market reports); qualitative vs quantitative; use of social media as research.	<i>HIGH LIKELIHOOD in mock. Almost always a 6-mark Analyse or 9-mark Justify comparing two research methods.</i>	☐	☐
1.2.3	Market segmentation	How markets are segmented: location, demographics, income, age, lifestyle. Market mapping to identify gaps and competition.	<i>Common 3-mark Explain. Mock may show a mapping diagram — you may</i>	☐	☐

			<i>need to read from it.</i>		
1.2.4	The competitive environment	Identifying competitors' strengths and weaknesses; impact of competition on decision-making (price, USP, quality, customer service).	<i>HIGH LIKELIHOOD as a 6 or 9-mark question. Mock case study almost always references a competitor.</i>	☐	☐

1.3 Putting a business idea into practice

Spec	Sub-topic	What you need to know	Why this, why now	R/A/G	Done
1.3.1	Business aims and objectives	Financial (profit, sales, survival, market share) vs non-financial (independence, satisfaction, social/personal aims).	<i>Frequent State/Identify (1-2 marks). Also builds foundation for Theme 2 (why aims change).</i>	☐	☐
1.3.2	Business revenues, costs and profits	Fixed vs variable costs; total revenue = $P \times Q$; total costs = FC + VC; profit = Revenue – Total Costs; interest calculations; average rate of return.	<i>CALCULATION QUESTIONS EVERY YEAR. Practise until fluent — 2-3 marks each, easy if drilled.</i>	☐	☐
1.3.3	Cash and cash-flow	Importance of cash to a business; cash-flow forecasts (opening balance, net cash flow, closing balance); difference between cash and profit.	<i>ANOTHER CALC QUESTION. Must know how to complete a cash-flow forecast row. 2-4 marks.</i>	☐	☐
1.3.4	Sources of business finance	Short-term (overdraft, trade credit) vs long-term (personal savings, loans, share capital, retained profit, crowdfunding, venture capital); suitability for start-ups vs established.	<i>Regularly a 6/9-mark Justify comparing 2 finance options.</i>	☐	☐

1.4 Making the business effective

Spec	Sub-topic	What you need to know	Why this, why now	R/A/G	Done
1.4.1	The options for start-up and small businesses	Sole trader; partnership; Ltd; franchise; limited vs unlimited liability. Advantages and disadvantages of each.	<i>Very common — often a 9-mark Justify choosing between two ownership options.</i>	☐	☐
1.4.2	Business location	Factors influencing location: proximity to market/materials/labour/competitors; cost of premises; the internet's impact.	<i>Regular 3-6 mark topic. Easy to score if you name factors + explain in context of the case study.</i>	☐	☐
1.4.3	The marketing mix	4Ps (Product, Price, Place, Promotion); how they interrelate and influence business activity; how they change over time.	<i>HIGH LIKELIHOOD 9-mark question. Practise applying ALL 4 Ps to a case study.</i>	☐	☐
1.4.4	Business plans	Role and purpose of a business plan; how it helps reduce risk and secure finance; typical contents.	<i>Straightforward 2-3 mark question. Learn 5-6 sections of a business plan.</i>	☐	☐

1.5 Understanding external influences on business

Spec	Sub-topic	What you need to know	Why this, why now	R/A/G	Done
1.5.1	Business stakeholders	Who stakeholders are (owners, employees, customers, suppliers, community, government,	<i>Common 3-6 mark Explain/Analyse. Learn 2 examples of</i>	☐	☐

		shareholders); how they affect and are affected by business; possible conflicts between stakeholders.	<i>stakeholder conflict.</i>		
1.5.2	Technology and business	Types of technology (e-commerce, social media, digital payments, apps); how technology impacts sales, costs, and the marketing mix.	<i>Modern-favourite topic. Likely 6-mark Analyse on impact on the mix.</i>	☐	☐
1.5.3	Legislation and business	The purpose of consumer law (Consumer Rights Act) and employment law (recruitment, pay, discrimination, H&S); impact on businesses.	<i>Regular 3-6 mark. Learn 2 laws in each area and one impact each.</i>	☐	☐
1.5.4	The economy and business	Impact of economic climate on businesses: unemployment; changing levels of consumer income; inflation; changes in interest rates; government taxation; exchange rates (SPICED).	<i>Predictable 6-mark Analyse. Learn the SPICED rule for exchange rates.</i>	☐	☐
1.5.5	External influences	Impact of external influences on business activity; possible responses.	<i>Overarching topic — synoptic across 1.5. Any external event in the case study will link here.</i>	☐	☐

Revision priorities highest predicted likelihood in November mock

- 1.2.2 Market research nearly every past paper has a Justify comparing methods
- 1.2.4 Competitive environment case study will name a competitor; you WILL need to respond to it
- 1.3.2 Costs, revenue, profit CALCULATION marks practice until instant
- 1.3.3 Cash flow a table you complete; do 5 past examples
- 1.3.4 Sources of finance Justify choosing between 2 options is a mock favourite
- 1.4.1 Ownership options sole trader vs Ltd Justify almost guaranteed
- 1.4.3 Marketing mix (4Ps) Analyse or Justify applying ALL 4 Ps
- 1.5.4 Economy (SPICED for exchange rates) most-often-forgotten topic; easy 6 marks if drilled

How to use this booklet

This booklet has two parts:

PART A Multiple Choice (30 questions across all 5 topics of Theme 1). Do these first as a warm-up.

PART B Full exam questions with two case studies (Beacon Bags and Cedar & Grain). Time yourself: aim to complete each case study in 45 minutes.

After completing each part, mark your work using the ANSWER booklet.

For any question you got wrong or scored below full marks, WRITE A CORRECTION under your answer in green pen using the model answer as a guide.

PART A — Multiple choice questions (30 marks)

Tick ONE box per question.

1.1 Enterprise and entrepreneurship

1. Which of these best describes why a product becomes obsolete?

- ☐ A. Sales have doubled in the last 6 months
- ☐ B. Customers no longer want or need it
- ☐ C. It has been rebranded with a new name
- ☐ D. It has been sold to a new company

2. Which is a financial reward of running a business?

- ☐ A. Independence
- ☐ B. Personal satisfaction
- ☐ C. Profit
- ☐ D. Challenge

3. Which is a way a small business can add value?

- ☐ A. Reducing selling price below cost
- ☐ B. Creating a unique selling point (USP)
- ☐ C. Cutting employee wages secretly
- ☐ D. Removing all quality checks

4. The role of an entrepreneur includes:

- ☐ A. Setting the national minimum wage
- ☐ B. Organising resources, making decisions and taking risks
- ☐ C. Regulating other businesses
- ☐ D. Providing government tax advice

1.2 Spotting a business opportunity

5. Which is an example of secondary market research?

- ☐ A. Conducting a focus group with 10 customers
- ☐ B. Reading a market report published by Mintel
- ☐ C. Running an in-store customer survey
- ☐ D. Interviewing a shopper at the till

6. Focus groups typically produce:

- ☐ A. Quantitative data only
- ☐ B. Qualitative data
- ☐ C. Government statistics
- ☐ D. Sales forecasts

7. Segmenting a market by income is an example of:

- ☐ A. Geographic segmentation
- ☐ B. Behavioural segmentation
- ☐ C. Demographic segmentation
- ☐ D. Psychographic segmentation

8. Market mapping is used to:

- ☐ A. Forecast cash flow
- ☐ B. Identify a gap in the market and see competitors
- ☐ C. Recruit new employees
- ☐ D. Set staff wages

9. A competitor's strength is likely to:

- ☐ A. Force the business to increase prices
- ☐ B. Force the business to differentiate or improve
- ☐ C. Cause the business to reduce all marketing
- ☐ D. Have no impact on the business

1.3 Putting a business idea into practice

10. Which is a financial aim?

- ☐ A. Independence
- ☐ B. Personal satisfaction
- ☐ C. Survival
- ☐ D. Challenge

11. Which of these is a fixed cost for a small bakery?

- ☐ A. Flour
- ☐ B. Packaging
- ☐ C. Monthly rent
- ☐ D. Hourly staff wages

12. If total revenue = £15,000 and total costs = £11,200, profit is:

- ☐ A. £26,200
- ☐ B. £3,800
- ☐ C. £11,200
- ☐ D. £15,000

13. If fixed costs = £4,000, selling price = £20, variable cost per unit = £8, break-even output is:

- ☐ A. 200 units
- ☐ B. 333 units
- ☐ C. 500 units
- ☐ D. 800 units

14. Net cash flow is:

- ☐ A. Cash inflows – cash outflows
- ☐ B. Revenue – total costs
- ☐ C. Opening balance + closing balance
- ☐ D. Profit + fixed costs

15. Which is a short-term source of finance?

- ☐ A. Personal savings
- ☐ B. Bank loan (5 years)
- ☐ C. Overdraft
- ☐ D. Share capital

16. An advantage of retained profit as a finance source is:

- ☐ A. It creates interest to pay
- ☐ B. It does not need to be repaid
- ☐ C. It reduces future profit forever
- ☐ D. It requires giving up shares

1.4 Making the business effective

17. A sole trader has:

- ☐ A. Limited liability
- ☐ B. Unlimited liability
- ☐ C. Shareholders
- ☐ D. A separate legal identity

18. Which is an advantage of being a private limited company (Ltd)?

- ☐ A. Unlimited liability
- ☐ B. No paperwork to set up
- ☐ C. Limited liability for shareholders
- ☐ D. Anyone can buy your shares

19. A franchisee usually:

- ☐ A. Owns the brand outright
- ☐ B. Pays a fee to use an established brand
- ☐ C. Receives free unlimited support
- ☐ D. Sets prices completely independently

20. For an online-only business, the most important location factor is:

- ☐ A. High-street footfall
- ☐ B. Physical car parking
- ☐ C. Reliable internet + delivery infrastructure
- ☐ D. Location on a busy shopping street

21. The 4Ps of the marketing mix are:

- ☐ A. Product, Price, Place, Promotion
- ☐ B. Product, Profit, Place, Promotion
- ☐ C. Product, Price, People, Promotion
- ☐ D. Profit, Price, Place, Publicity

22. A business plan is most useful to:

- ☐ A. A retired person with no business interests
- ☐ B. A multinational corporation only
- ☐ C. An entrepreneur applying for a bank loan
- ☐ D. A government tax inspector

1.5 Understanding external influences on business

23. Which of these is NOT a stakeholder of a small bakery?

- ☐ A. The owner
- ☐ B. The employees
- ☐ C. Random tourists in a different country
- ☐ D. The local suppliers

24. E-commerce is most likely to help a small business by:

- ☐ A. Removing the need to set prices
- ☐ B. Reaching customers 24/7 without a physical store
- ☐ C. Eliminating fixed costs entirely
- ☐ D. Removing all customer service needs

25. The Consumer Rights Act protects:

- ☐ A. Employees from unfair dismissal
- ☐ B. Customers' rights to safe, quality goods
- ☐ C. Businesses from competition
- ☐ D. Suppliers from late payment

26. A rise in UK interest rates is most likely to:

- ☐ A. Increase consumer borrowing and spending
- ☐ B. Decrease business loan repayment costs
- ☐ C. Increase the cost of business borrowing
- ☐ D. Have no impact on businesses

27. Using the SPICED rule, if the pound weakens (£ falls vs \$):

- ☐ A. UK imports become cheaper
- ☐ B. UK exports become cheaper for foreign buyers
- ☐ C. UK inflation always falls
- ☐ D. UK unemployment always rises

28. A rise in unemployment is likely to:

- ☐ A. Increase consumer spending
- ☐ B. Decrease consumer spending
- ☐ C. Have no impact on businesses
- ☐ D. Automatically decrease inflation

PART B Exam questions (case study based)

Section B Case study: Beacon Bags

Beacon Bags is a small business set up by Priya Sharma in 2024. Priya designs and sells eco-friendly canvas tote bags online and through 3 independent gift shops in Brighton.

Priya invested £8,000 of personal savings and secured a £6,000 Start-Up Loan to launch the business. All bags are made from organic cotton and 5% of profits are donated to a coastal clean-up charity. Prices range from £18-£28 per bag, which is around 40% higher than mass-produced alternatives.

In year one, Priya sold 1,400 bags and generated £29,400 of revenue. Fixed costs (including workshop rent and part-time helper wages) were £12,000. Variable costs (materials + packaging) were £8 per bag.

Priya is now considering how to grow the business in 2026. She is deciding between opening a pop-up stall at a Brighton market on Saturdays OR investing the same amount in a paid Instagram influencer campaign.

Q1. State one financial aim Beacon Bags may have. (1)

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Q2. Outline one benefit to Beacon Bags of using primary market research. (2)

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Q3. Calculate Beacon Bags' total variable costs in year one. (2)

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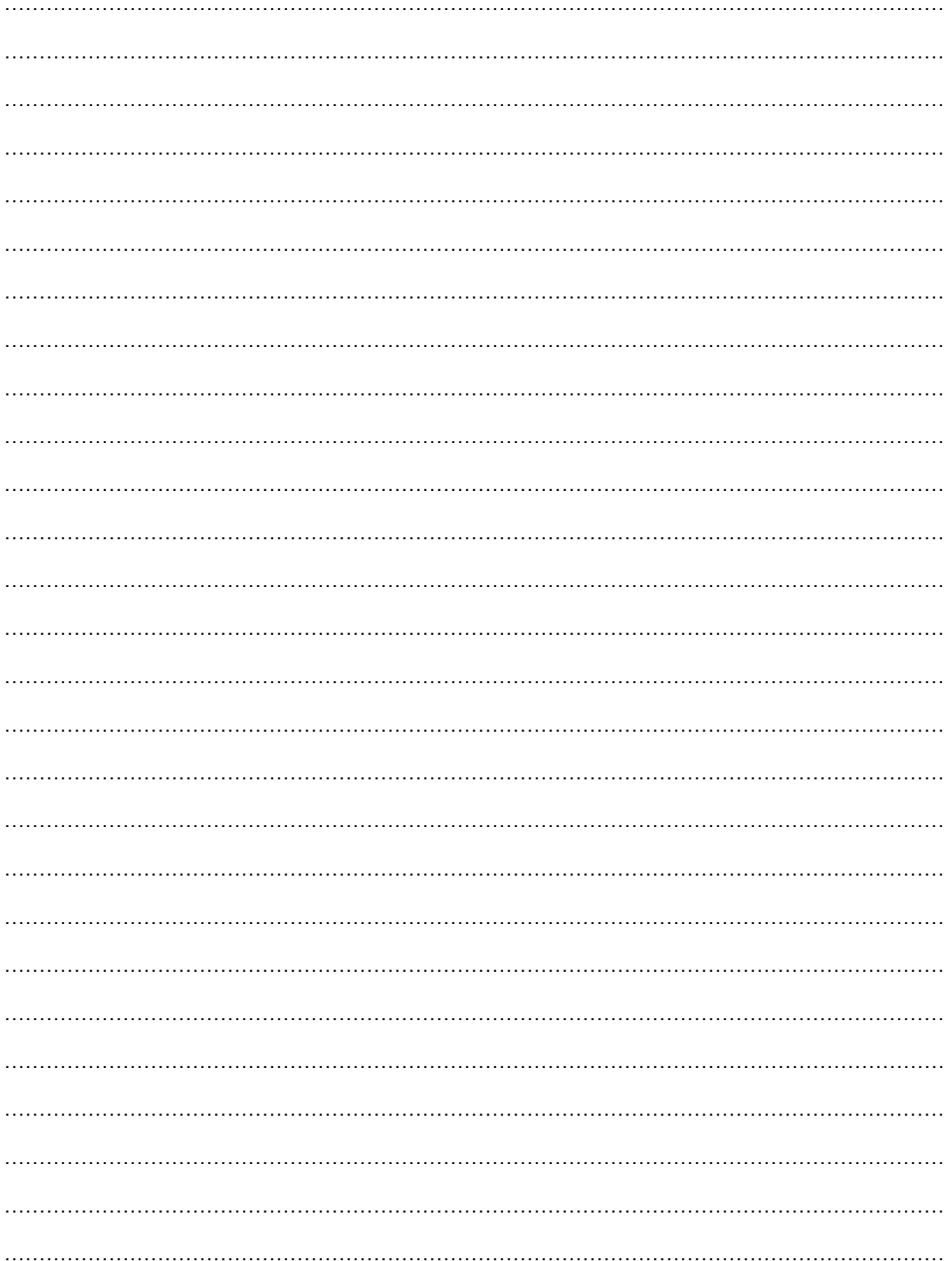
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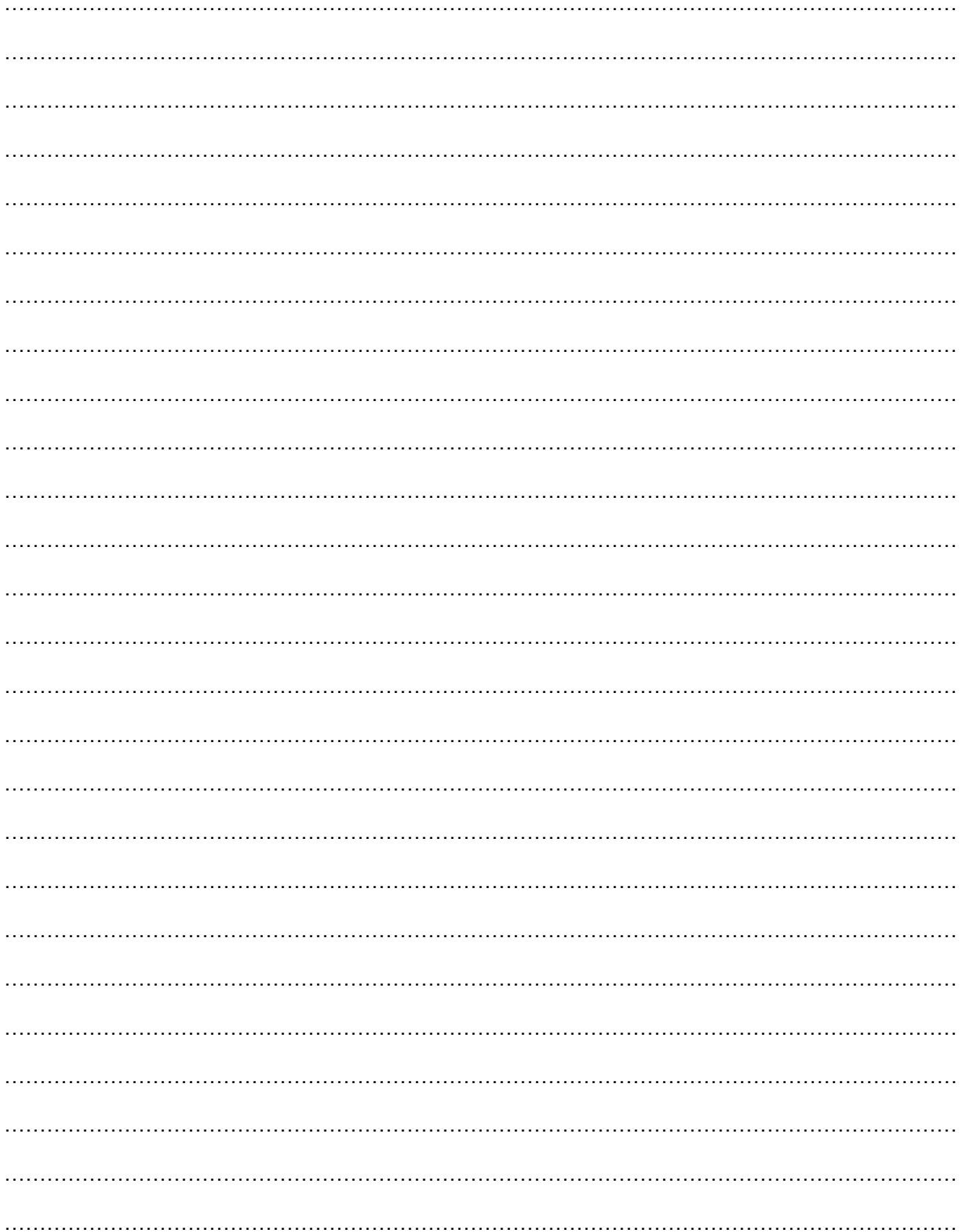
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Option 1: open a pop-up stall at Brighton Market on Saturdays

(9)

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Section C Case study: Cedar & Grain

Cedar & Grain is a small artisan furniture business owned by twin brothers Josh and Reece Bailey. Set up as a partnership in Nottingham in 2023, they design and hand-make wooden dining tables and chairs from reclaimed timber.

The brothers invested £12,000 of joint savings and took a £15,000 bank loan (repayable over 5 years at 7% interest) to buy tools and rent a small workshop. In year one they made 40 tables (average price £900) and 120 chairs (average price £180).

The business is doing well but the brothers are cautious. Their bank has offered a second £20,000 loan to expand the workshop. Alternatively, a well-known local furniture retailer, Nottingham Home Store, has offered to invest £20,000 in return for 30% of the business plus regular stock orders.

The brothers are worried about the risks. Both are aware of their unlimited liability as a partnership and are considering whether to convert to a private limited company (Ltd) before making the growth decision.

Q1. State the current form of business ownership of Cedar & Grain. (1)

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Q2. Outline one disadvantage of the partnership form of ownership. (2)

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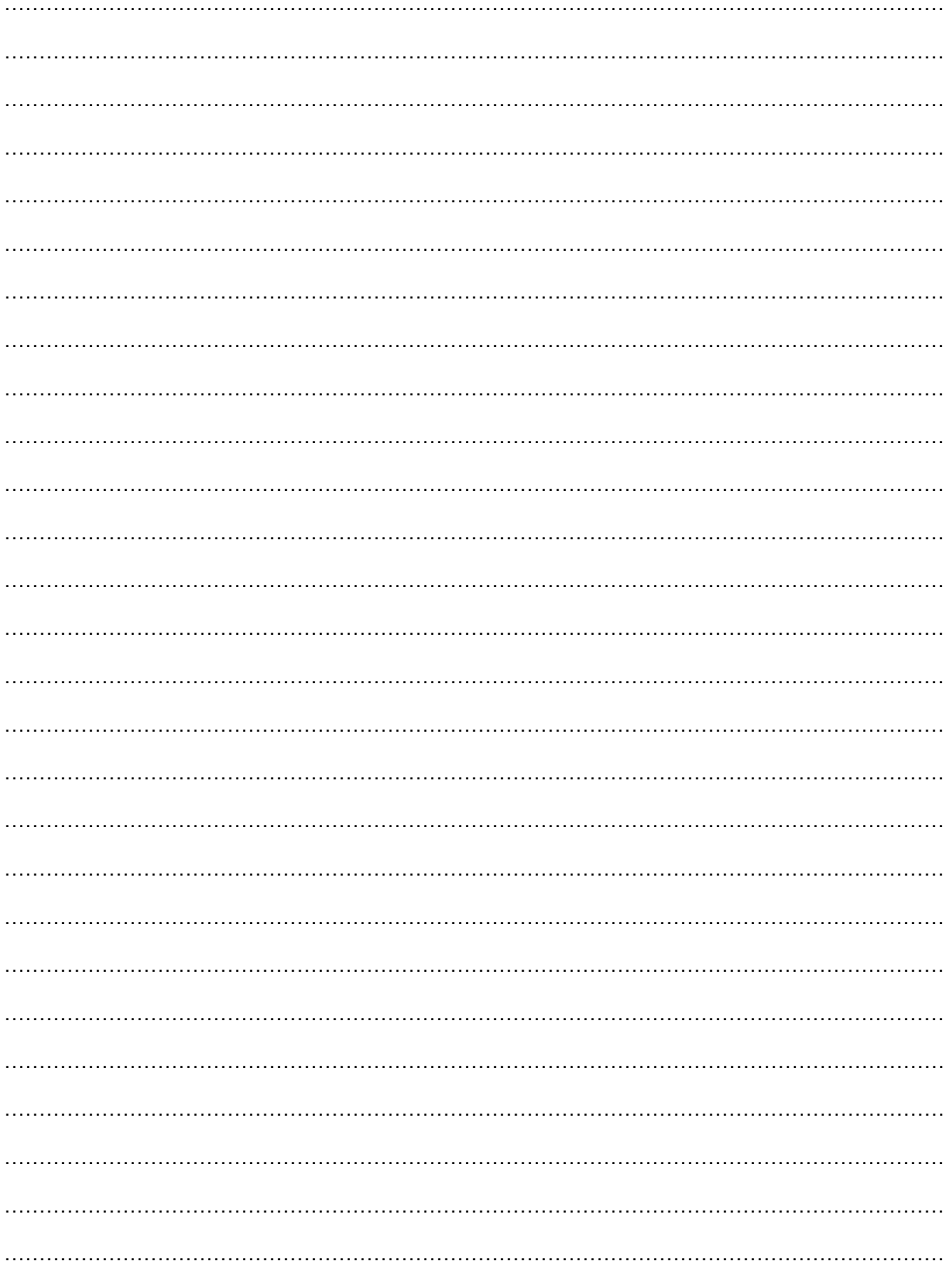
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Option 2: £20,000 investment from Nottingham Home Store in return for 30% + regular stock orders.

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