# Year 10 | Business Studies

IGCSE-pathway diagnostic assessment • Enterprise, marketing, operations and finance

Student name: _____ Date: _____

Suggested time: 60 minutes. Show working and explain your reasoning. This is an independent diagnostic, not an official examination paper.

1. Distinguish between a sole trader and a private limited company. Explain one benefit and one drawback of each. [8 marks]

2. A small bakery sells 200 loaves at £3 each. Variable cost is £1.20 per loaf and fixed daily cost is £220. Calculate revenue, total cost and profit. [8 marks]

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3. Explain two reasons why a business might undertake market research before launching a new product. [6 marks]

4. A company considers increasing its selling price. Analyse how this may affect revenue, demand and brand positioning. [8 marks]

5. A local shop is choosing between online advertising and printed leaflets. Evaluate both options for a limited marketing budget. [10 marks]

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6. Explain how poor cash flow can threaten a profitable business and suggest two possible responses. [9 marks]

# Parent / Tutor Guide | Business Studies

Keep this section separate from the student during the assessment. The marks are diagnostic prompts, not an official IGCSE mark scheme.

## Suggested responses and assessment notes

1. (8 marks) Sole trader: owner control but unlimited liability; private limited company: separate legal identity/limited liability but administrative obligations.

2. (8 marks) Revenue £600; variable £240; total £460; profit £140.

3. (6 marks) Identify customer needs, demand, pricing, competition, reduce risk.

4. (8 marks) Depends on price sensitivity, market segment and positioning; higher price need not raise revenue.

5. (10 marks) Compare reach, targeting, cost, measurability and local audience; justified recommendation.

6. (9 marks) Timing of cash inflows/outflows differs from accounting profit; manage receivables, inventory, overdraft/financing with risks.

## What to observe

Look for subject knowledge, accuracy, use of appropriate terminology, clarity of reasoning, interpretation of command words, and ability to justify or evaluate when asked.

## Suggested diagnostic approach

Record which questions were attempted independently, which required prompts, and whether difficulties arose from concepts, literacy, calculations or time management. Plan follow-up teaching around recurring misconceptions.

## Curriculum note

This is a general Year 10 IGCSE-oriented diagnostic. It is not endorsed by Cambridge, Pearson Edexcel or the IB. Topic order and examination demands differ by board and school; adjust to the student’s actual specification.

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