

<https://selldocx.com/products/test-bank-economics-for-business-3e-gillespie>

**Type: true-false**

**Title:** Chapter 02 - Question 01

**01)** A mission sets out specific targets for the business to achieve

a. True

**Feedback:** a mission sets out what a business is

**Page reference:** 22

\*b. False

**Feedback:** a mission sets out what the business is.

**Page reference:** 22

**Type: true-false**

**Title:** Chapter 02 - Question 02

**02)** An objective is a specific target for a business to achieve

\*a. True

**Feedback:** an objective sets out what the business is.

**Page reference:** 22

b. False

**Feedback:** an objective sets out what the business is.

**Page reference:** 22

**Type: multiple choice question**

**Title:** Chapter 02 - Question 03

**03)** Profit is measured by

a. Revenue plus costs

**Feedback:** Revenue minus costs.

**Page reference:** 24

b. Costs multiplied by revenue

**Feedback:** Revenue minus costs.

**Page reference:** 24

\*c. Revenue minus costs

**Feedback:** Revenue minus costs.

**Page reference:** 24

d. Price multiplied by quantity

**Feedback:** Revenue minus costs.

**Page reference:** 24

**Type: multiple choice question**

**Title:** Chapter 02 - Question 04

**04)** The return on investment

a. Measures liquidity

**Feedback:** Is a measure of profitability and is measured as a percentage.

**Page reference:** 25

b. Is measured in £

**Feedback:** Is a measure of profitability and is measured as a percentage.

**Page reference:** 25

\*c. Is measured as a percentage

**Feedback:** Is a measure of profitability and is measured as a percentage

**Page reference:** 25

d. Is always a forecast.

**Feedback:** Is a measure of profitability and is measured as a percentage.

**Page reference:** 25

**Type: true-false**

**Title:** Chapter 02 - Question 05

**05)** A company is owned by shareholders.

**\*a.** True

**Feedback:** A company is owned by shareholders.

**Page reference:** 27

**b.** False

**Feedback:** A company is owned by shareholders.

**Page reference:** 27

**Type: true-false**

**Title:** Chapter 02 - Question 06

**06)** Dividends are the rewards paid out to shareholders

**\*a.** True

**Feedback:** dividends are paid to shareholders

**Page reference:** 27

**b.** False

**Feedback:** dividends are paid to shareholders.

**Page reference:** 27

**Type: true-false**

**Title:** Chapter 02 - Question 07

**07)** Profit maximisation occurs when total revenue equals total costs

**a.** True

**Feedback:** It occurs when there is the biggest difference between total revenue and total costs

**Page reference:** 31

**\*b.** False

**Feedback:** It occurs when there is the biggest difference between total revenue and total costs

**Page reference:** 31

**Type: multiple choice question**

**Title:** Chapter 02 - Question 08

**08)** If marginal revenue is positive

**a.** Total revenue is constant

**Feedback:** total revenue increases

**Page reference:** 32

**b.** Total revenue falls

**Feedback:** total revenue increases

**Page reference:** 32

**\*c.** Total revenue increases

**Feedback:** total revenue increases

**Page reference:** 32

**d.** Profits increase

**Feedback:** total revenue increases

**Page reference:** 32

**Type: multiple choice question**

**Title:** Chapter 02 - Question 09

**09)** If marginal revenue is zero

**\*a.** Total revenue is constant

**Feedback:** total revenue is constant

**Page reference:** 32

**b.** Total revenue falls

**Feedback:** total revenue is constant

**Page reference:** 32

**c.** Total revenue increases

**Feedback:** total revenue is constant

**Page reference:** 32

**d.** Profits increase

**Feedback:** total revenue is constant

**Page reference:** 32

**Type: true-false**

**Title:** Chapter 02 - Question 10

**10)** Satisficing occurs when investors are satisfied by the maximum level of profits

**\*a.** True

**Feedback:** occurs when decisions and profits are “satisfactory”; they are good enough

**Page reference:** 34

**b.** False

**Feedback:** dividends are paid to shareholders.

**Page reference:** 34

**Type: multiple choice question**

**Title:** Chapter 02 - Question 11

**11)** Corporate Social Responsibility means

**a.** A business has a responsibility to make a profit

**Feedback:** A business accepts a responsibility to be a corporate citizen

**Page reference:** 37

**\*b.** A business accepts a responsibility to be a corporate citizen

**Feedback:** A business accepts a responsibility to be a corporate citizen

**Page reference:** 37

**c.** A business accepts a responsibility to be a behave legally

**Feedback:** A business accepts a responsibility to be a corporate citizen

**Page reference:** 37

**d.** A business accepts a responsibility not to make a profit

**Feedback:** A business accepts a responsibility to be a corporate citizen

**Page reference:** 37