

2.2.1 Edexcel Business

**Edexcel GCSE Business**

**2.2.1 Product**

**Multiple Choice Question Test Bank**

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# MCQ Test 1

**This MCQ test contains 13 questions covering the specification content for 2.2.1: Product**

**Instructions:**

- **There are 13 questions in this test.**
- **Your teacher will determine how long you have to complete this test and under what conditions.**
- Only **one** answer per question is allowed for **questions 1-11 inclusive.**
- **Two** answers should be selected for questions **12 and 13.**
- For each answer, completely fill in the circle alongside the appropriate answer(s).
- If you want to change your answer, you must cross out your original answer.
- If you wish to return to an answer previously crossed out, ring the answer you now wish to select.

**0 1** Lucozade, originally a product for the sick, rebranded itself as an energy and sports drink. The most likely extension strategy used was:

- A Changing the recipe of the drink
- B Lowering the price
- C Finding new uses for the product
- D Raising the price

[1 mark]

**0 2** When developing a new product, a business will consider how the product looks and feels. This would be classed as its:

- A Function
- B Aesthetics
- C Cost
- D Design mix

[1 mark]

**0 3** At which stage of the product life cycle is a business most likely to use an extension strategy?

- A Introduction
- B Growth
- C Maturity
- D Decline

[1 mark]

**0 4** At which stage of the product life cycle are product sales most likely to be at their highest?

- A Introduction
- B Growth
- C Maturity
- D Decline

[1 mark]

**0 5** The product life cycle measures the:

- A Price of a product over time
- B Cost of a product over time
- C Profit of a product over time
- D Sales of a product over time

[1 mark]

**0 6** A product at the introduction stage of the product life cycle is most likely to need:

- A Low promotional spend
- B No promotional spend
- C High promotional spend
- D Reduced promotional spend

[1 mark]

**0 7** At which stage of the product life cycle is customer awareness likely to significantly increase and sales rise steeply?

- A Introduction
- B Growth
- C Maturity
- D Decline

[1 mark]

- 0 8** When a business develops a product that is unique to rival products, it is best known as:
- A Diversification
  - B An extension strategy
  - C Product differentiation
  - D Product portfolio
- [1 mark]

- 0 9** Which of the following statements best describes the term aesthetics?
- A Seeking to minimise costs wherever possible
  - B How well the product works for the customer
  - C Actions to prevent a product's sales declining rapidly
  - D How the product appeals to the senses of a customer
- [1 mark]

- 1 0** A well-known brand of breakfast cereal uses promotion to encourage its existing consumers to eat its product at breakfast, dinner and tea. This is an example of which of the following extension strategies?
- A Adding new features to the product
  - B Encouraging use on more occasions
  - C Changing the appearance of the product
  - D Changing the price
- [1 mark]

- 1 1** At which stage of the product life cycle is sales growth likely to flatten out?
- A Introduction
  - B Growth
  - C Maturity
  - D Decline
- [1 mark]

**1 2** Which **two** of the following are benefits to a business that operates in a competitive market of selling a differentiated product?

- A High profits are guaranteed
- B Sales volume will be always be higher than rival products
- C Every customer will be happy to pay a high price for the product
- D Increased chance of attracting more sales
- E The possibility of setting a higher price

[2 marks]

**1 3** Which **two** of the following are risks to a business when developing a new product?

- A Product success is not guaranteed
- B New products can be protected through legal means
- C The business has an advantage over competitors
- D Development costs have to be met regardless of product success
- E The business can always charge higher prices for a new product

[2 marks]

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**ANSWERS TO THIS MCQ TEST**

Q	CORRECT
1	C
2	B
3	C
4	C
5	D
6	C
7	B
8	C
9	D
10	B
11	C
12	D,E
13	A,D