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Topics Covered:

- Classification of business

/ Mark 20

Case Study for Questions 1–5

Country A is a developing nation with a large agricultural sector. Over the past decade, the government has encouraged the growth of manufacturing industries, such as textiles and electronics. Recently, the service sector, including tourism and banking, has also started to expand. However, the country still faces challenges, such as a lack of infrastructure and skilled labor.

1. Which sector of industry does agriculture belong to?

- a) Primary
 - b) Secondary
 - c) Tertiary
 - d) Quaternary
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2. What is the main reason for Country A to encourage the growth of manufacturing industries?

- a) To reduce dependence on agriculture
 - b) To increase unemployment
 - c) To reduce exports
 - d) To decrease economic growth
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3. Which sector of industry does tourism belong to?

- a) Primary
 - b) Secondary
 - c) Tertiary
 - d) Quaternary
-

4. What is a likely challenge for Country A in developing its manufacturing sector?

- a) Lack of natural resources
 - b) Lack of infrastructure
 - c) Over-reliance on services
 - d) High levels of automation
-

5. Which of the following is an example of a secondary sector activity in Country A?

- a) Farming
 - b) Textile manufacturing
 - c) Banking
 - d) Mining
-

6. What is the main role of the primary sector?

- a) To provide services to consumers
 - b) To extract natural resources
 - c) To manufacture goods
 - d) To conduct research and development
-

7. Which of the following is an example of a tertiary sector activity?

- a) Fishing
 - b) Car manufacturing
 - c) Retail
 - d) Mining
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8. What is de-industrialisation?

- a) The growth of the manufacturing sector
 - b) The decline of the manufacturing sector
 - c) The growth of the service sector
 - d) The decline of the primary sector
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9. Which of the following is a characteristic of a developed economy?

- a) High employment in the primary sector
 - b) High employment in the tertiary sector
 - c) Low levels of technology
 - d) Low GDP per capita
-

10. What is a mixed economy?

- a) An economy where only the government owns businesses
 - b) An economy where only private individuals own businesses
 - c) An economy where both the government and private individuals own businesses
 - d) An economy with no government intervention
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11. Which of the following is an example of a public sector business?

- a) A private hospital
 - b) A state-owned railway
 - c) A fast-food restaurant
 - d) A clothing manufacturer
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12. What is the main objective of a private sector business?

- a) To provide a service to the community
 - b) To make a profit
 - c) To reduce unemployment
 - d) To protect the environment
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13. Which of the following is a disadvantage of privatisation?

- a) Increased efficiency
 - b) Loss of jobs
 - c) Higher quality services
 - d) Increased competition
-

14. What is added value?

- a) The total cost of production
 - b) The difference between the selling price and the cost of materials
 - c) The profit made by a business
 - d) The total revenue of a business
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15. Which of the following is a benefit of division of labour?

- a) Workers become bored
 - b) Increased efficiency and output
 - c) Higher costs of production
 - d) Reduced quality of products
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16. What is the main disadvantage of division of labour?

- a) Workers may become bored
 - b) Increased output
 - c) Lower costs
 - d) Specialised machinery
-

17. Which of the following is a reason for the growth of the tertiary sector in developed economies?

- a) Increased demand for raw materials
 - b) Higher incomes and demand for services
 - c) Decline in technology
 - d) Reduced globalisation
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18. Which of the following is an example of a primary sector activity?

- a) Banking
 - b) Car manufacturing
 - c) Mining
 - d) Retail
-

19. What is the main reason for a government to own and control certain industries?

- a) To increase competition
 - b) To ensure essential services are provided
 - c) To reduce employment
 - d) To decrease economic growth
-

20. Which of the following is a feature of a developing economy?

- a) High employment in the tertiary sector
 - b) High employment in the primary sector
 - c) Advanced technology
 - d) High GDP per capita
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Answers:

- 1. A
- 2. A
- 3. C
- 4. B
- 5. B
- 6. B
- 7. C
- 8. B
- 9. B
- 10. C
- 11. B
- 12. B
- 13. B
- 14. B
- 15. B
- 16. A
- 17. B
- 18. C
- 19. B
- 20. B