

Topic 1.1: What Is a Business?

LO: 1.1.A, 1.1.B | Skill: 1.A, 2.A | Canvas: Task 1

AP-Style Multiple-Choice Practice

5 set-based multiple-choice questions • Skill 1.A / 2.A

Stimulus

Glint Co. is a small startup that buys used smartphones, refurbishes them, and sells them with custom paint jobs to teenagers. The founders surveyed 200 high school students before launching to find out what would matter most to them in a phone purchase.

Figure 1. Top reasons students said they would consider buying a Glint phone.

Reason given by students	% of 200 students choosing this as #1
Lower price than buying new	47%
Unique look (custom paint job)	31%
Environmental — using a refurbished phone	14%
Other	8%

Glint Co. sells each refurbished phone for \$260. Each refurbished phone costs the business \$185 to acquire, repair, and paint.

1. Which of the following best describes Glint Co.'s product?

- (A) A good only, since Glint sells physical phones.
- (B) A service only, since Glint customizes the phones.
- (C) A good with a service component for refurbishment.
- (D) Neither a good nor a service, since phones are pre-owned.

2. Based on the survey data, what customer problem does Glint Co. Most strongly appear to be solving?

- (A) Teenagers prefer phones that have already been used by others.
- (B) Teenagers cannot find phones with unique custom designs.
- (C) Teenagers want to reduce their environmental footprint.
- (D) Teenagers want a phone that costs less than buying new.

3. A 16-year-old buys a Glint phone for herself using money she earned. In this transaction, the 16-year-old is:

- (A) Both the customer and the consumer in one purchase.
- (B) The consumer only, since she uses the phone every day.
- (C) The customer only, since she paid for the phone in cash.
- (D) Neither role applies, since she is still a minor.

4. Glint Co. sells each phone for \$260 at a cost of \$185. Which Statement best describes value at Glint Co.?

- (A) Glint is creating value but not capturing any of it.
- (B) Glint is capturing value but not creating any of it.
- (C) Glint is both creating and capturing value here.
- (D) Glint is neither creating nor capturing measurable value.

5. Glint Co. is considering also selling brand-new phones at full retail price alongside its refurbished line. Which of the Following best describes a likely concern?

- (A) Glint would lose its ability to capture value entirely.
- (B) Full-price phones may dilute Glint's problem-solution fit.
- (C) Refurbished phones would automatically become less valuable.
- (D) Glint would face legal limits on selling both phone lines.