

Topic 1.1: What Is a Business?

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

MCQ Practice Set — Answer Key

Per-item Skill and LO tags included for targeted feedback.

1. Answer: C (Skill 1.A · LO 1.1.A)

Products can include goods AND/OR services. Glint sells a tangible phone (good) AND performs refurbishment and customization (service) before selling it. A is incomplete (ignores the service work). C is incomplete (ignores the phone). D misreads 'producing and distributing' — Glint produces a refurbished/customized product, even if it didn't originally Manufacture the phone.

2. Answer: D (Skill 2.A · LO 1.1.A)

47% of students chose lower price as their #1 reason — the largest single category. Custom design (31%) is meaningful but secondary; environmental concern is only 14%. EK 1.1.A.3 requires businesses to SELECT which problem to focus on; the data points Most clearly to price. D is not supported by the data at all.

3. Answer: A (Skill 1.A · LO 1.1.A)

EK 1.1.A.2: a customer purchases; a consumer uses. When the SAME person purchases AND uses, both roles apply to her. Age (D) is irrelevant — the customer/consumer distinction is about Role in the transaction, not legal age.

4. Answer: C (Skill 1.A · LO 1.1.B)

Customers willingly purchasing the phones is evidence of value creation. $\$260 > \185 is the definition of value Capture. Both occur.

5. Answer: B (Skill 2.A · LO 1.1.A)

EK 1.1.A.3: businesses must SELECT which problem to focus on. Glint's selected problem (per the data) is price. Adding full-price phones may undermine the problem-solution fit by diluting the focus on price-sensitive customers. A is wrong (capture is unrelated). C makes an automatic claim with no evidence. D is a Legal claim with no support in the stimulus.