## 20 Firms

1	Which sector of the economy contains firms that provide services to the general public and other firms?				
	A primary	C	secondary		
	<b>B</b> public	D	tertiary		
2	Which is <b>not</b> a method used to measure the size of firms?				
	A costs of production	C	sales revenue		
	<b>B</b> market share	D	the number of employees		
3	Which is <b>not</b> an advantage of small firms?				
	A easier to set up	C	opportunities to gain economies	of scale	
	<b>B</b> greater degree of control	D	quicker decision making		
4	Which type of growth occurs when firms expand using their own resources?				
	<b>A</b> external	C	mergers and acquisitions		
	<b>B</b> inorganic	D	organic	·	
5	Which type of economies of scale arise due to the location of the firm?				
	A external	C	internal		
	<b>B</b> financial	D	risk-bearing		
6	Define the term diseconomies of scale.		y e	[2 marks]	
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7	Give <b>two</b> examples of external economies of scale.			[2 marks]	
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8	McDonald's uses franchising to grow its business. I	Define	the term <i>franchise</i> .	[2 marks]	
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		Firms
9	Explain the difference between backward and forward vertical integration.	[4 marks]
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10	Explain <b>two</b> disadvantages of (challenges facing) small firms.	[4 marks]
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