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| Q1 | **Fill in the gaps** |
| In a competitive environment, many businesses compete with each other to provide the consumer with \_\_\_\_\_\_\_\_\_\_\_\_\_ and services. Most businesses will operate in a market where there is some level of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, but there are situations when businesses face \_\_\_\_\_\_\_\_\_\_\_\_\_ or no competition, such as with Royal Mail’s letter delivery service.  The strength and weaknesses of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in the market can be based upon the \_\_\_\_\_\_\_\_\_\_\_\_\_ they charge, the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_of their goods and services, their physical \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the extent of their product range and the level of customer service they offer. Competitors and their actions can have a big impact on the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_- \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of a business. | |
|  | ***Choose from:*** *price;**decision-making; quality; location; competitors; goods; competition; little* |

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| Q2 | **Key terms! Explain what you understand by the following terms…** |
|  | **2.1** Market |
|  | **2.2** Competition |
|  | **2.3** Competitive environment |

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| Q3 | **Odd one out! Reveal the odd one out by selecting all the situations in which a business is likely to face minimal or no competition** | |
|  | **3.1** When a business is the only seller of a particular good or service |  |
|  | **3.2** When a business develops a unique, innovative product |  |
|  | **3.3** When a business is one of a few large businesses which sell a particular good or service |  |
|  | **3.4** When a business is one of many businesses which sell the same product |  |

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| Q4 | **Which one? Identify the strength/weakness of each competitor in the specific market** | | | | | |
|  |  | **Price** | **Quality** | **Location** | **Product range** | **Customer service** |
|  | **4.1** A local take away delivers food to customers which is cold |  |  |  |  |  |
|  | **4.2** A supermarket delivery service always arrives on time |  |  |  |  |  |
|  | **4.3** A high street clothes shop offers a wide range of styles |  |  |  |  |  |
|  | **4.4** A motorway service station charges more for its fuel than supermarket petrol stations |  |  |  |  |  |
|  | **4.5** An tourist hotel is within walking distance of all the sights and restaurants |  |  |  |  |  |

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| Q5 | **Complete the sentence! Complete each of the sentences below to explain the potential impact of competition on business decision making…** |
|  | **5.1** Competition can make a business reduce its prices because… |
|  | **5.2** Competition can encourage businesses to innovate because... |
|  | **5.3** Competition can make a business cut costs because… |
|  | **5.4** Competition can encourage businesses to keep prices down because… |
|  | **5.5** Competition can lead to an increased product range because… |