

LCCI Level 2 Certificate in Business Calculations

Group 1 – select 20 questions (4 marks each)

Group 2 – select 10 questions (2 marks each)

TOTAL MARKS = 100 marks

- Multiple choice (MCQ) – select a single correct response
- Multiple response (MRQ) – select all correct responses
- Insert values – add the correct answer, often from your own calculations
- Match items – link related items, definitions, etc
- Drop down/Fill in blanks – insert the correct words in the spaces provided
- Drag and drop – move the appropriate word or number into the spaces indicated

GROUP 1 – SELECT 20 (x4 marks each)

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| Qu 1 | <p>INSERT VALUE</p> <p>A company produces and sells \$1500000 worth of products. The cost of making the products it sells is \$350000 but the factory has the following costs during the year:</p> <p>Staff costs of \$750000</p> <p>Energy costs of \$80000</p> <p>Insurance cost of \$4500</p> <p>Premises rent of \$70000</p> <p>Calculate the net profit for the year.</p> | |
| Ans | \$245500 | ✓ |

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| Qu 2 | <p>INSERT VALUE</p> <p>A company produces and sells \$1500000 worth of products. The cost of making the products it sells is \$350000 but the factory has the following costs during the year:</p> <p>Staff costs of \$750000</p> <p>Energy costs of \$80000</p> <p>Insurance cost of \$4500</p> <p>Premises rent of \$70000</p> <p>Calculate the gross profit for the year.</p> | |
| Ans | \$1150000 | ✓ |

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| Qu 3 | <p>MCQ</p> <p>A car is offered on sale for \$45000. I can purchase the car through a finance offer that requires me to pay a deposit of 22% and then make additional payments in monthly instalments over 5 years.</p> <p>How much deposit will I need to purchase the car?</p> | |
| A | \$585 | ✓ |
| B | \$9900 | |
| C | \$9000 | |
| D | \$750 | |

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| Qu 4 | <p>MCQ</p> <p>The insurance premium for a house has risen by 11% for each of the last two years. If it was \$720.00 per annum in 2024, what will the new premium be for 2026?</p> | |
| A | \$887.11 | ✓ |
| B | \$799.20 | |
| C | \$878.40 | |
| D | \$871.20 | |

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| Qu 5 | <p>DROP DOWN</p> <p>In a business, the [fixed costs] include building rent, employee wages and website charges.</p> <p>These costs amount to \$46200 this year. If the total revenue from sales for the year is \$172240 and the cost of sales is \$100400, the net profit will be \$[25640].</p> | |
| A | <p>fixed costs</p> <p>variable costs, sales, profits</p> | ✓ |
| B | <p>25640</p> <p>71840, 145600, 126040</p> | |

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| Qu 6 | <p>INSERT VALUE</p> <p>Anna, Baha and Carlos are partners in a small business. They share the profit in proportion to their initial investment. Anna invested £3000, Carlos invested £1000 and Baha invested £4500.</p> <p>If Carlos received £24200 in 2024, what was the total profit for the year?</p> | |
| Ans | £205700 | ✓ |

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| Qu 7 | <p>INSERT VALUE</p> <p>My monthly electricity bill consists of two elements: a standing charge of \$18.20 per month and a charge of \$0.42 for each kW of electricity used.</p> <p>If I use 320kW in one month, what will be the total bill?</p> | |
| Ans | \$152.60 | ✓ |

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| Qu 8 | <p>INSERT VALUE</p> <p>Imran works at a local factory. He earns \$15.20 per hour for a regular 35-hour week. He is also able to work some additional hours at a rate of 1.25 times his normal pay.</p> <p>How much will he earn if he works a total of 42 hours this week?</p> | |
| Ans | £665 | ✓ |

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| Qu 9 | MCQ | |
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| | Juan is allowed to earn £12750 per year tax free but anything above this will be liable for income tax at a rate of 20%. If she earns £2.040 each month, how much net pay will she receive in a year? | |
| A | £22134 | ✓ |
| B | £24480 | |
| C | £19584 | |
| D | £15096 | |

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| Qu 10 | <p>INSERT VALUE</p> <p>Tomas earns commission on each of his sales for a furniture company. He receives 1.75% commission on the first \$10000 of sales but 3.5% on any sales above that.</p> <p>If she makes sales worth \$88000 this month, how much commission will he earn?</p> | |
| A | £4480 | ✓ |

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| Qu 11 | INSERT VALUE |
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| | <p>An employee at HKS Ltd is eligible to contribute to a voluntary pension scheme. If employees join the scheme, they will be required to contribute 4.5% of their salary. In addition, their employer will contribute a 8% of the employee's salary.</p> <p>By how much will the pension fund grow in a year if the employee earns an annual salary of £64000?</p> | |
| A | £8000 | ✓ |

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| Qu 12 | <p>MCQ</p> <p>The average number of pairs of shoes sold at a shop over five days is 62.</p> <p>If the following sales have been recorded:</p> <p>Monday: 44</p> <p>Tuesday: 62</p> <p>Wednesday: 95</p> <p>Thursday: 102</p> <p>Calculate how many were sold on Friday.</p> | |
| A | 99 | |
| B | 62 | |
| C | 55 | |
| D | 53 | |
| E | 7 | ✓ |
| Qu 13 | INSERT VALUE | |

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| | <p>Mr Jerez initially invested \$12000 in a small factory, representing a 30% ownership of the business. After four years, the value of the business has grown to \$640000.</p> <p>By how much has the value of her stake in the business grown at the end of the four years?</p> | |
| Ans | £180.00 | ✓ |

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| Qu 14 | <p>DROP DOWN</p> <p>The distribution of profits and losses in a partnership is usually determined by the partnership [agreement], which should include details of the amount each partner contributes to the business, their percentage ownership and how any profits or losses will be shared among them.</p> <p>Partnerships can split profits any way they want, as long as all partners agree. Unless otherwise stated, profits and losses are typically shared [equally] among partners.</p> | |
| A | <p>agreement</p> <p>structure, hierarchy, members</p> | ✓ |
| B | <p>equally</p> <p>regularly, monthly, unequally</p> | |

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| Qu 15 | MRQ |
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| | <p>Four partners share the equity in their company in the following way: 40%, 35%, 15% and 10%.</p> <p>If the smallest share is worth £14300, what are the two largest shares worth?</p> | |
| A | £57200 | ✓ |
| B | £143000 | |
| C | £50500 | ✓ |
| D | £121550 | |

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| Qu 16 | <p>MATCH ITEMS</p> <p>Match the following documents to the correct function of business trading</p> <p>[Invoice] [Commercial] [Bill of lading] [Transport] [Import licence] [Legal] [Letters of credit] [Banking]</p> |
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| Qu 17 | DROP DOWN |
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| | Trade discounts are offered by the distributors of a product to a retail shop owner. [Quantity] discounts are offered to attract customers to generate further purchases, while [promotional] discounts are offered to generate interest in a product, often as part of an advertising campaign. | |
| A | Quantity Trade, General, Seasonal | ✓ |
| B | promotional regular, fixed, long-term | |

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| Qu 18 | <p>MCQ</p> <p>Which of the following investments would be provide the better return after three years, and by how much?</p> <p>Account A - \$4400 with simple interest of 4.5%</p> <p>Account B - \$4500 with compound interest of 4.0%</p> | |
| A | Account B by \$67.89 | ✓ |
| B | Account B by \$17.51 | |
| C | Account A by \$67.89 | |
| D | Account A by \$27.31 | |

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| Qu 19 | DROP DOWN |
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| | An invoice is a document used to request payment for products or services [sold]. It includes a summary of what was ordered, a breakdown of costs and instructions for [payment]. Invoices are used by seller to collect payment at a later date, while bills are used for immediate payment. | |
| A | <div>sold</div> <div>offered, available, requested</div> | ✓ |
| B | <div>payment</div> <div>delivery, assembly, acceptance</div> | |

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| Qu 20 | <p>MCQ</p> <p>What is the value of €35 in dollars if the following exchange rates are correct?</p> <p>\$1 = £0.85 and £1 = €1.12</p> | |
| A | 36.74 | ✓ |
| B | 31.25 | |
| C | 33.33 | |
| D | 33.32 | |

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| Qu 21 | INSERT VALUE |
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| | A car costs 41800 euros in France. What would be the equivalent cost in pounds sterling if the conversion rate is 1.10 euro to the pound? | |
| A | £38000 | ✓ |

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| Qu 22 | INSERT VALUE How much money will I receive in euros if I exchange £2880 at a rate of 1 euro = £0.90? | |
| A | £3200 | ✓ |

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| Qu 23 | MCQ Which of the following methods of payment will have a higher value and by how much? A. 2.8% commission on a car sold for £24495 B. 35 hours worked at a rate of £19 per hour | |
| A | A by £20.86 | ✓ |
| B | B by £20.86 | |
| C | A by £27.38 | |
| D | B by £27.38 | |

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| Qu 24 | MCQ | |
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| | <p>750 people were asked what their favourite alcoholic drink was. 210 chose beer, 164 chose wine and 38 chose cocktails, while others selected other drinks.</p> <p>What percentage of the people asked chose wine or beer?</p> | |
| A | 49.9% | ✓ |
| B | 28.0% | |
| C | 54.9% | |
| D | 72.0% | |

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| Qu 25 | <p>MCQ</p> <p>The cost of an air flight ticket is \$310.50 but it is due to increase by 4.7% next month. How much will the ticket cost after the price rise?</p> | |
| A | \$14.59 | ✓ |
| B | \$325.09 | |
| C | \$315.20 | |
| D | \$5.20 | |

GROUP 2 – SELECT 10 (x2 marks each)

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| Qu 26 | MCQ | |
| | Which of the following statements is true the annual interest of an investment earning compound interest, assuming nor withdrawals are made? | |
| A | The interest increases each year | ✓ |
| B | The interest remains the same each year | |
| C | The interest decreases each year | |
| D | The interest increases by a constant amount each year | |

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| Qu 27 | MCQ | |
| | What is the main purpose of finding the breakeven point? | |
| A | To determine at what point zero profit is made | ✓ |
| B | To determine at what point maximum profit is made | |
| C | To determine at what point maximum loss is made | |
| D | To determine profit margin | |

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| Qu 28 | True or False | |
| | <p>a) All organisations need to use measures to assess their financial performance.</p> <p>b) The measures used are the same for all organisations.</p> | |
| A | True | |
| B | False | |

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| Qu 29 | MCQ | |
| | Which of the following is a measure of statistical dispersion? | |
| A | Standard deviation | ✓ |
| B | Arithmetic mean | |
| C | Statistical mode | |
| D | Statistical median | |

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| Qu 30 | True or False | |
| | <p>a) The price of a product marked at £40 will increase by £5 after an increase of 12.5%.</p> <p>b) The price of a product marked at £40 will increase by £12.50 after an increase of 5%.</p> | |
| A | True | |
| B | False | |

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| Qu 31 | MCQ | |
| | A partnership must have which of the following? | |
| A | At least two people involved | ✓ |
| B | No more than two people involved | |
| C | Limited financial liability | |
| D | Equal shares for partners | |

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| Qu 32 | MCQ | |
| | The initial payment under a hire purchase agreement is known as which of the following? | |
| A | Deposit | ✓ |
| B | Interest instalment | |
| C | Opening balance | |
| D | Primary cost | |

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| Qu 33 | MCQ | |
| | If an item costs \$24.95 in the USA and the exchange rate is \$1.20 = £1.00, what will happen to the price in dollars if the exchange rate changes to \$1.25 = £1.00? | |
| A | It will remain at \$24.95 | ✓ |
| B | It will increase to \$26.00 | |
| C | It will reduce to \$23.95 | |
| D | It will increase to \$26.20 | |

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| Qu34 | INSERT VALUE How much will \$456 invested with simple interest at 3% be worth after four years? | |
| A | \$510.72 | |

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| Qu35 | INSERT VALUE How much will £180 invested with simple interest at 4% be worth after four years? | |
| A | £210.57 | |

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| Qu 36 | True or False a) The arithmetic mean of 14, 22, 26, 32 and 33 is 25.2. b) The mean value is always the most useful average for understanding data. | |
| A | False | |
| B | False | |

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| Qu 37 | True or False a) Currency exchange rate fluctuations have only a small impact on the value of sums of money b) Currency exchange rates are influenced by a wide range of different factors and can be unpredictable. | |
| A | False | |
| B | True | |

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| Qu 38 | MCQ | |
| | Which of the following would be the correct deposit for the purchase of a computer, costing \$445, on an interest-free deal with 24 monthly payments of \$13? | |
| A | \$133 | ✓ |
| B | \$312 | |
| C | \$223 | |
| D | \$222 | |

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| Qu 39 | MCQ | |
| | What would a salesperson earn as commission if they receive 17.5% of the sales value for an item priced at £1614? | |
| A | £282.45 | ✓ |
| B | £274.38 | |
| C | £242.10 | |
| D | £252.40 | |

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| Qu 40 | INSERT VALUE | |
| | If I earn \$17.20 per hour for a 35-hour week and I work for 48 weeks in total, how much will I earn in this year? | |
| A | \$28896 | ✓ |

TOTAL AVAILABLE MARKS = 100