

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)

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	✓

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	✓

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	

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	

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>	

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	✓

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	✓

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	✓



Qu 9	MCQ 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	

Qu 10	INSERT VALUE 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. If she makes sales worth \$88000 this month, how much commission will he earn?	
A	\$2905	✓

Qu 11	<p>INSERT VALUE</p> <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	✓

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	<p>INSERT VALUE</p> <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	✓

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>	

Qu 15	<p>MRQ</p> <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	

Qu 16	<p>MATCH ITEMS</p> <p>Match the following documents to the correct function of business trading</p> <p>[Invoice] [Commercial]</p> <p>[Bill of lading] [Transport]</p> <p>[Import licence] [Legal]</p> <p>[Letters of credit] [Banking]</p>	
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Qu 17	<p>DROP DOWN</p> <p>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.</p>	
A	<p>Quantity</p> <p>Trade, General, Seasonal</p>	✓
B	<p>promotional</p> <p>regular, fixed, long-term</p>	

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	

Qu 19	<p>DROP DOWN</p> <p>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.</p>	
A	<p>sold</p> <p>offered, available, requested</p>	✓
B	<p>payment</p> <p>delivery, assembly, acceptance</p>	

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	

Qu 21	<p>INSERT VALUE</p> <p>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?</p>	
A	£38000	✓

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

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

Qu 24	<p>MCQ</p> <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%	

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)

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	

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	

Qu 28	<p>True or False</p> <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	

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

Qu 30	<p>True or False</p> <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	

Qu 31	<p>MCQ</p> <p>A partnership must have which of the following?</p>	
A	At least two people involved	<input checked="" type="checkbox"/>
B	No more than two people involved	<input type="checkbox"/>
C	Limited financial liability	<input type="checkbox"/>
D	Equal shares for partners	<input type="checkbox"/>

Qu 32	<p>MCQ</p> <p>The initial payment under a hire purchase agreement is known as which of the following?</p>	
A	Deposit	<input checked="" type="checkbox"/>
B	Interest instalment	<input type="checkbox"/>
C	Opening balance	<input type="checkbox"/>
D	Primary cost	<input type="checkbox"/>

Qu 33	<p>MCQ</p> <p>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?</p>	
A	It will remain at \$24.95	<input checked="" type="checkbox"/>
B	It will increase to \$26.00	<input type="checkbox"/>
C	It will reduce to \$23.95	<input type="checkbox"/>
D	It will increase to \$26.20	<input type="checkbox"/>

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

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

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	

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	

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	

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	

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