**Activity 2 – Research and development quiz**

1. Bringing a new product to the marketplace is known as?

Process innovation.

Product innovation.

1. Why do governments promote innovation?

It brings in more money in taxes.

It brings wealth and employment.

1. List the methods that generate new ideas in research?
2. Development is known as the process that?

Changes ideas into commercially viable products or processes.

Changes products into commercially viable processes.

1. Why is it important for businesses to reduce the time of the development process?

Product life cycles are now becoming shorter.

The Boston matrix is now becoming smaller.

1. Development is usually a relatively cheap process?

True

False

1. List the benefits of the research and development process.
2. New products are required not only for businesses to grow but for businesses to ………

Innovate

Survive

Become market leaders

1. It can often be more rewarding for a business to copy another businesses idea?

True

False

1. Why is this often the case?

Higher research and development costs.

Lower research and development costs.

1. Why do electronics companies such as Apple need to continuously invest in research and development?

Products become redundant after a certain amount of time.

Products become cheaper so more profit is made.

1. Which of the following is an example of a company where research and development takes a back seat?

Ford

Tesco

British Airways

1. Why has Britain become one of the lowest investors in research and development?

Companies are looking for long term gains.

Companies are looking for short term gains.

1. How have some U.K companies now decided to grow?

Organically (Growth from within)

Externally (Mergers and takeovers)

1. Which of the following is an example of pure research?

Research and development within a company.

Research and development universities.

1. Why do some businesses find it harder to survive because of shorter product life cycles?

Higher research and development costs.

Lower research and development costs.

1. What have companies such as Aston martin and Lotus done to combat this problem?

Become part of competing research and development companies.

Become part of larger motor groups.

1. Market research and research and development is effectively the same thing?

True

False

**Activity 2 – Research and development quiz – Answers**

1) Bringing a new product to the marketplace is known as?

Process innovation.

**Product innovation.**

2) Why do governments promote innovation?

It brings in more money in taxes.

**It brings wealth and employment.**

3) List the methods that generate new ideas in research?

* Pure research – research just to find out how or why, with no product objective. This type of research is often carried out by universities or research institutes.
* Laboratory research – for example, the testing of new pharmaceutical compounds on animals.
* Evaluation of existing products – are there problems with this product? How can such problems be resolved?
* Brainstorming using discussion groups – thinking outside of the box, novel ideas for solving existing problems.

4) Development is known as the process that?

**Changes ideas into commercially viable products or processes.**

Changes products into commercially viable processes.

5) Why is it important for businesses to reduce the time of the development process?

**Product life cycles are now becoming shorter.**

The Boston matrix is now becoming smaller.

6) Development is usually a relatively cheap process?

True

**False**

7) List the benefits of the research and development process.

* Reduction in costs and improves the company's image
* Improves the working environment – making it safer and cleaner.
* Beneﬁts consumers with a greater variety of goods and services
* Launch new products in order to gain a competitive edge.

8) New products are required not only for businesses to grow but for businesses to ………

Innovate

**Survive**

Become market leaders

9) It can often be more rewarding for a business to copy another businesses idea?

**True**

False

10) Why is this often the case?

Higher research and development costs.

**Lower research and development costs.**

11) Why do electronics companies such as Apple need to continuously invest in research and development?

**Products become redundant after a certain amount of time.**

Products become cheaper so more profit is made.

12) Which of the following is an example of a company where research and development takes a back seat?

Ford

**Tesco**

British Airways

13) Why has Britain become one of the lowest investors in research and development?

Companies are looking for long term gains.

**Companies are looking for short term gains.**

14) How have some U.K companies now decided to grow?

Organically (Growth from within)

**Externally (Mergers and takeovers)**

15) Which of the following is an example of pure research?

Research and development within a company.

**Research and development universities.**

16) Why do some businesses find it harder to survive because of shorter product life cycles?

**Higher research and development costs.**

Lower research and development costs.

17) What have companies such as Aston martin and Lotus done to combat this problem?

Become part of competing research and development companies.

**Become part of larger motor groups.**

18) Market research and research and development is effectively the same thing?

True

**False**