

A-Level Business

Name: _____ Score: _____

1. A time series is data that is:
 - ☐ always seasonal
 - ☐ collected from one survey
 - ☐ about competitors only
 - ☐ recorded over regular time intervals
2. If sales rise as advertising rises, the two show:
 - ☐ causation only
 - ☐ positive correlation
 - ☐ negative correlation
 - ☐ no correlation
3. Selling more of an existing product to its existing market is:
 - ☐ product development
 - ☐ diversification
 - ☐ market penetration
 - ☐ market development
4. Selling home-produced goods to customers abroad is:
 - ☐ franchising
 - ☐ importing
 - ☐ a joint venture
 - ☐ exporting
5. Sales over four quarters are 30, 34, 28, 32. What is the 4-quarter moving average?

6. A strong correlation between two variables:
 - ☐ means they are unrelated
 - ☐ does not prove one causes the other
 - ☐ is impossible
 - ☐ always proves causation

7. Market penetration is generally the highest-risk Ansoff strategy.

☐ True ☐ False

8. Which are opportunities of entering international markets? (Select all that apply.)

☐ access to larger markets

☐ guaranteed profit

☐ spreading risk across countries

☐ economies of scale

Tick every correct option.

9. Extrapolation gives reliable forecasts even when market conditions change sharply.

☐ True ☐ False

10. Two variables can be strongly correlated because of a third, hidden factor.

☐ True ☐ False

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1. **recorded over regular time intervals**

A time series records a variable over regular periods.

2. **positive correlation**

Both moving up together is positive correlation.

3. **market penetration**

Penetration deepens sales in the current market – lowest risk.

4. **exporting**

Exporting sells domestic output overseas.

5. **31**

$(30 + 34 + 28 + 32) \div 4 = 124 \div 4 = 31$.

6. **does not prove one causes the other**

Correlation is not causation – a third factor may explain it.

7. **False**

False. Market penetration (existing products in existing markets) is the lowest-risk option. Diversification, with new products in new markets, carries the highest risk.

8. **access to larger markets; spreading risk across countries; economies of scale**

Bigger markets, scale and risk-spreading are real gains; profit is never guaranteed.

9. **False**

False. Extrapolation assumes the future will follow the past trend. That assumption fails when conditions change, for example after a new competitor or a recession.

10. **True**

A lurking variable can drive both.