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

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☐ 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

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.

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