

A-Level Business

Name: _____ Score: _____

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

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

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

- ☐ access to larger markets
- ☐ economies of scale
- ☐ spreading risk across countries
- ☐ guaranteed profit

Tick every correct option.

8. Extrapolation assumes the future will follow the past trend.

- ☐ True ☐ False

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

- ☐ True ☐ False

10. Diversification is generally the highest-risk Ansoff strategy.

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

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

8. **True**

That assumption fails if conditions change.

9. **True**

A lurking variable can drive both.

10. **True**

It moves the firm into both new products and new markets.