Business Management
IB Diploma Program
HL

1.6 GROWTH AND EVOLUTION

1. **Reduction in a firm's unit average cost of production that result from an increase in the scale of operation.**

   a. Economic of Scale b. Diseconomy of scale

2. **The maximum output that can be achieved by using the available inputs.**

   a. Scale of operation b. Economic of Scale

3. **Expansion of a business by means of opening new branches, shops of factories also known as organic growth.**

   a. External growth b. Internal growth

4. **When a company buys over 50% of the shares of another company**

   a. Merger b. Take over

5. **Integration with a business in the same industry but a customer of the existing one**

   a. Forward vertical integration b. Backward vertical integration

6. **Merger with or takeover of a business in a different industry**

   a. Horizontal integration b. Conglomerate

7. **Two or more businesses agree to work closely together on a particular project and create a business division to do so**

   a. Joint venture b. Strategic alliances

8. **A business that use the name, logo and trading system of an existing successful business**

   a. Franchise b. Strategic alliances

9. **Identify the Ansoff Matrix strategies:**

   Market Penetration Market Development Product Development

   Product Penetration Diversification

10. **Selling the same product but in a different market**

    b. Product development b. Market development

DAVID CARRILLO
APRENDE • DIVIERTETE • MARCA LA DIFERENCIA
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