Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**1.1.1 The Market**

1. Identify whether each of the following statements are true or false. Justify your answer.

|  |  |
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| **Statement** | **True or false** |
| A market is defined as any physical location where buyers and sellers meet to trade goods and services.  |  |
| Justification: |
| A currency exchange, a supermarket, a convenience store, the internet and a theme park are all examples of markets. |  |
| Justification: |
| A mass market is likely to sell a high volume of goods at a low profit margin. |  |
| Justification: |
| A niche market will sell only to customers in a small geographical area. |  |
| Justification: |
| A business selling to a niche market will have an objective to grow to sell to a mass market in the future. |  |
| Justification: |
| A firm operating in a niche market may have high market share but small market size. |  |
| Justification: |

1. Which 3 of the following are examples of brands?

|  |  |  |
| --- | --- | --- |
| Hoover | AA Batteries | Innocent |
| Orangeade | Mickey Mouse | Lucozade |

1. Match each of the following items to the correct definition.

|  |  |
| --- | --- |
| Market size | A new idea or invention which is launched onto the market normally with a view to financial gain. |
| Market share | The percentage increase in the size of the market in terms of either growth or volume. |
| Market growth | The buying and selling of goods and services via the internet. |
| Innovation | The proportion of total market sales that a particular firm has. |
| Online retailing | The total value or volume of sales in a market. |