



4.3 Sales forecasting (HL)

# Terminology exercise

**Check that you understand the terminology used in this subtopic by dragging the correct word into each space.**

Businesses use a quantitative technique called \_\_\_\_\_ to predict the levels of sales they may expect in future years. If this can be carried out accurately, the company can enjoy some benefits. If sales are expected to grow, then steps can be taken to ensure this extra demand is met.

Businesses can use a \_\_\_\_\_ to graph past sales over time. This is called a \_\_\_\_\_ analysis. A \_\_\_\_\_ then passes through a scatter diagram of data points. This best expresses the relationship between those points. Once the line of best fit is drawn, the business can identify trends using past data and thus \_\_\_\_\_ this information to predict future sales.

time series

scatter diagram

extrapolate

sales forecasting

line of best fit

✓ Check

