

GMAT AWA PRACTICE PAPER

1. The following appeared in a corporate planning memorandum for a company that develops amusement parks:

“Because travel from our country to foreign countries has increased dramatically in recent years, our next project should be a ‘World Tour’ theme park with replicas of famous foreign buildings, rides that have international themes, and refreshment stands to serve only foods from the country represented by the nearest ride. The best location would be near our capital city, which has large percentages of international residents and of children under the age of 16. Given the advantages of this site and the growing interest in foreign countries, the ‘World Tour’ theme park should be as successful as our space-travel theme park, where attendance has increased tenfold over the past decade.”

Discuss how well reasoned . . . etc.

2. The following appeared in a letter to the editor of a River City newspaper:

“The Clio Development Group should not be permitted to build a multilevel parking garage on Dock Street since most of the buildings on the block would have to be demolished. Because these buildings were erected decades ago, they have historic significance and must, therefore, be preserved as economic assets in the effort to revitalize a restored riverfront area. Recall how Lakesburg has benefited from business increases in its historic downtown center. Moreover, there is plenty of vacant land for a parking lot elsewhere in River City.”

Discuss how well reasoned . . . etc.

3. The following appeared in a letter to the editor of a local newspaper:

“Our city council’s neglect of the impoverished Railroad Flats neighborhood has left businesses with little incentive to locate there. Building a new professional football stadium in the neighborhood would solve this problem. Thousands of football fans would travel to the area to see games, and they would buy from local merchants, encouraging new businesses to open. So our city council should move quickly to fund the construction of a professional football stadium in Railroad Flats in order to help the neighborhood develop a thriving economy.”

Discuss how well reasoned . . . etc.

4. The following appeared in a memorandum from the director of marketing for a pharmaceutical company:

“According to a survey of 5,000 urban residents, the prevalence of stress headaches increases with educational level, so that stress headaches occur most often among people with graduate-school degrees. It is well established that, nationally, higher educational levels usually correspond with higher levels of income. Therefore, in marketing our new pain remedy, Omnilixir, we should send free samples primarily to graduate students and to people with graduate degrees, and we should concentrate on advertising in professional journals rather than in general interest magazines.”

Discuss how well reasoned . . . etc.

5. The following appeared as part of an editorial in the Waymarsh city newspaper:

“Last year the parents of first graders in our school district expressed satisfaction with the reading skills their children developed but complained strongly about their children’s math skills. To remedy this serious problem and improve our district’s elementary education, everyone in the teacher-training program at Waymarsh University should be required to take more courses in mathematics.”

Discuss how well reasoned . . . etc.

6. . The following appeared in a memorandum from the business office of the Lovin’ Cupful, a national restaurant chain:

“The Lovin’ Cupful franchises in our northeast region have begun serving customers Almost, a brand new powdered instant tea, in place of brewed tea. Waiters report that only about 2 percent of the customers have complained and that customers who want refills typically ask for ‘more tea.’ It appears, then, that 98 percent of the customers are perfectly happy with the switch, or else they cannot tell powdered instant from brewed tea. Therefore, in order to take advantage of the lower price per pound of Almost, all of our restaurants should begin substituting it for brewed tea.”

Discuss how well reasoned . . . etc.

7. The following appeared as a memorandum from the vice-president of the Dolci candy company:

“Given the success of our premium and most expensive line of chocolate candies in a recent taste test and the consequent increase in sales, we should shift our business focus to producing additional lines of premium candy rather than our lower-priced, ordinary candies. When the current economic boom ends and consumers can no longer buy major luxury items, such as cars, they will still want to indulge in small luxuries, such as expensive candies.”

Discuss how well reasoned . . . etc.

8. The following appeared in a memorandum from the director of research and development at Ready-to-Ware, a software engineering firm:

“The package of benefits and incentives that Ready-to-Ware offers to professional staff is too costly. Our quarterly profits have declined since the package was introduced two years ago, at the time of our incorporation. Moreover, the package had little positive effect, as we have had only marginal success in recruiting and training high-quality professional staff. To become more profitable again, Ready-to-Ware should, therefore, offer the reduced benefits package that was in place two years ago and use the savings to fund our current research and development initiatives.”

Discuss how well reasoned . . . etc.

9. The following appeared in a memorandum from the assistant manager of Pageturner Books:

“Over the past two years, Pageturner’s profits have decreased by 5 percent, even though we have added a popular café as well as a music section selling CDs and tapes. At the same time, we have experienced an increase in the theft of merchandise. We should, therefore, follow the example of Thoreau Books, which increased its profits after putting copies of its most frequently stolen books on a high shelf behind the payment counter. By doing likewise with copies of the titles that our staff reported stolen last year, we too can increase profitability.”

Discuss how well reasoned . . . etc.

10. The following appeared in a memorandum to a team developing accounting software for SmartPro Software, Inc.:

“Currently, more professional accountants use SmartPro accounting software than any other brand. However, in the market for personal accounting software for non-professionals to use in preparing their income tax returns,

many of our competitors are outselling us. In surveys, our professional customers repeatedly say that they have chosen SmartPro Software because our most sophisticated software products include more advanced special features than competing brands. Therefore, the most effective way for us to increase sales of our personal accounting software for home users would clearly be to add the advanced special features that our professional software products currently offer.”

Discuss how well reasoned . . .etc.

11. The following appeared in a memorandum written by the assistant manager of a store that sells gourmet food items from various countries:

“A local wine store made an interesting discovery last month: it sold more French than Italian wine on days when it played recordings of French accordion music, but it sold more Italian than French wine on days when Italian songs were played. Therefore, I recommend that we put food specialties from one particular country on sale for a week at a time and play only music from that country while the sale is going on. By this means we will increase our profits in the same way that the wine store did, and we will be able to predict more precisely what items we should stock at any given time.”

Discuss how well reasoned . . . etc.

12. The following appeared in a memo to the Saluda town council from the town’s business manager:

“Research indicates that those who exercise regularly are hospitalized less than half as often as those who don’t exercise. By providing a well-equipped gym for Saluda’s municipal employees, we should be able to reduce the cost of our group health insurance coverage by approximately 50 percent and thereby achieve a balanced town budget.”

Discuss how well reasoned . . . etc.

The following appeared as part of a letter to the editor of a local newspaper:

“Bayview High School is considering whether to require all of its students to wear uniforms while at school. Students attending Acorn Valley Academy, a private school in town, earn higher grades on average and are more likely to go on to college. Moreover, Acorn Valley reports few instances of tardiness, absenteeism, or discipline problems. Since Acorn Valley requires its students

to wear uniforms, Bayview High School would do well to follow suit and require its students to wear uniforms as well.”

Discuss how well reasoned . . . etc.

13. The following appeared as part of a memorandum from the loan department of the Frostbite National Bank:

“We should not approve the business loan application of the local group that wants to open a franchise outlet for the Kool Kone chain of ice cream parlors. Frostbite is known for its cold winters, and cold weather can mean slow ice cream sales. For example, even though Frostbite is a town of 10,000 people, it has only one ice cream spot—the Frigid Cow. Despite the lack of competition, the Frigid Cow’s net revenues fell by 10 percent last winter.”

Discuss how well reasoned . . . etc.

14. The following appeared in a letter from a staff member in the office of admissions at Argent University:

“The most recent nationwide surveys show that undergraduates choose their major field primarily based on their perception of job prospects in that field. At our university, economics is now the most popular major, so students must perceive this field as having the best job prospects. Therefore, we can increase our enrollment if we focus our advertising and recruiting on publicizing the accomplishments of our best-known economics professors and the success of our economics graduates in finding employment.”

Discuss how well reasoned . . . etc.

15. The following appeared as part of a business plan created by the management of the Take Heart Fitness Center:

“After opening the new swimming pool early last summer, Take Heart saw a 12 percent increase in the use of the center by its members. Therefore, in order to increase membership in Take Heart, we should continue to add new recreational facilities in subsequent years: for example, a multipurpose game room, a tennis court, and a miniature golf course. Being the only center in the area offering this range of activities would give us a competitive advantage in the health and recreation market.”

Discuss how well reasoned . . . etc.

16. The following appeared as part of an article in the book section of a newspaper:

“Currently more and more books are becoming available in electronic form—either free-of-charge on the Internet or for a very low price-per-book on compact disc.* Thus literary classics are likely to be read more widely than ever before. People who couldn’t have purchased these works at bookstore prices will now be able to read them for little or no money; similarly, people who find it inconvenient to visit libraries and wait for books to be returned by other patrons will now have access to whatever classic they choose from their home or work computers. This increase in access to literary classics will radically affect the public taste in reading, creating a far more sophisticated and learned reading audience than has ever existed before.”

*A compact disc is a small portable disc capable of storing relatively large amounts of data that can be read by a computer.

Discuss how well reasoned . . . etc.

17. The following appeared as an editorial in a magazine concerned with educational issues:

“In our country, the real earnings of men who have only a high-school degree have decreased significantly over the past 15 years, but those of male college graduates have remained about the same. Therefore, the key to improving the earnings of the next generation of workers is to send all students to college. Our country’s most important educational goal, then, should be to establish enough colleges and universities to accommodate all high school graduates.”

Discuss how well reasoned . . . etc.

18. The following appeared in an editorial from a newspaper serving the town of Saluda:

“The Saluda Consolidated High School offers more than 200 different courses from which its students can choose. A much smaller private school down the street offers a basic curriculum of only 80 different courses, but it consistently sends a higher proportion of its graduating seniors on to college than Consolidated does. By eliminating at least half of the courses offered there and focusing on a basic curriculum, we could improve student performance at Consolidated and also save many tax dollars.”

Discuss how well reasoned . . . etc.

19. The following appeared as part of an article in a trade magazine for breweries:

“Magic Hat Brewery recently released the results of a survey of visitors to its tasting room last year. Magic Hat reports that the majority of visitors asked to taste its low-calorie beers. To boost sales, other small breweries should brew low-calorie beers as well.”

Discuss how well reasoned . . . etc.

20. The following appeared in a memorandum sent by a vice-president of the Nadir Company to the company’s human resources department:

“Nadir does not need to adopt the costly ‘family-friendly’ programs that have been proposed, such as part-time work, work at home, and job-sharing. When these programs were made available at the Summit Company, the leader in its industry, only a small percentage of employees participated in them. Rather than adversely affecting our profitability by offering these programs, we should concentrate on offering extensive training that will enable employees to increase their productivity.”

Discuss how well reasoned . . . etc.

21. The following appeared in a letter to prospective students from the admissions office at Plateau College:

“Every person who earned an advanced degree in science or engineering from Olympus University last year received numerous offers of excellent jobs. Typically, many graduates of Plateau College have gone on to pursue advanced degrees at Olympus. Therefore, enrolling as an undergraduate at Plateau College is a wise choice for students who wish to ensure success in their careers.”

Discuss how well reasoned . . . etc.

22. The following was excerpted from an article in a farming trade publication:

“Farmers who switched from synthetic to organic farming last year have seen their crop yields decline. Many of these farmers feel that it would be too expensive to resume synthetic farming at this point, given the money that they invested in organic farming supplies and equipment. But their investments will be relatively minor compared to the losses from continued lower crop yields. Organic farmers should switch to synthetic farming rather than persist in an

unwise course. And the choice to farm organically is financially unwise, given that it was motivated by environmental rather than economic concerns.”

Discuss how well reasoned . . . etc.

23. The following appeared as part of an article in a computer magazine:

“A year ago Apex Manufacturing bought its managers computers for their homes and paid for telephone connections so that they could access Apex computers and data files from home after normal business hours. Since last year, productivity at Apex has increased by 15 percent. Other companies can learn from the success at Apex: given home computers and access to company resources, employees will work additional hours at home and thereby increase company profits.”

Discuss how well reasoned . . . etc.

25. The following appeared in the editorial section of a local paper:

“Applications for advertising spots on KMTV, our local cable television channel, decreased last year. Meanwhile, a neighboring town’s local channel, KOOP, changed its focus to farming issues and reported an increase in advertising applications for the year. To increase applications for its advertisement spots, KMTV should focus its programming on farming issues as well.”

Discuss how well reasoned . . . etc.