

GMAT AWA PRACTICE PAPER

Question: 1

The following appeared in an announcement issued by the publisher of *The Mercury*, a weekly newspaper:

“Since a competing lower-priced newspaper, *The Bugle*, was started five years ago, *The Mercury*’s circulation has declined by 10,000 readers. The best way to get more people to read *The Mercury* is to reduce its price below that of *The Bugle*, at least until circulation increases to former levels. The increased circulation of *The Mercury* will attract more businesses to buy advertising space in the paper.”

Discuss how well reasoned . . . etc.

Question: 2

The following appeared in a report presented for discussion at a meeting of the directors of a company that manufactures parts for heavy machinery:

“The falling revenues that the company is experiencing coincide with delays in manufacturing. These delays, in turn, are due in large part to poor planning in purchasing metals. Consider further that the manager of the department that handles purchasing of raw materials has an excellent background in general business, psychology, and sociology, but knows little about the properties of metals. The company should, therefore, move the purchasing manager to the sales department and bring in a scientist from the research division to be manager of the purchasing department.”

Discuss how well reasoned . . . etc.

Question: 3

The following appeared as part of an article in a magazine devoted to regional life:

“Corporations should look to the city of Helios when seeking new business opportunities or a new location. Even in the recent recession, Helios’s unemployment rate was lower than the regional average. It is the industrial center of the region, and historically it has provided more than its share of the region’s manufacturing jobs. In addition, Helios is attempting to expand its economic base by attracting companies that focus on research and development of innovative technologies.”

Discuss how well reasoned . . . etc.

Question: 4

The following appeared in the health section of a magazine on trends and lifestyles:

“People who use the artificial sweetener aspartame are better off consuming sugar, since aspartame can actually contribute to weight gain rather than weight loss. For example, high levels of aspartame have been shown to trigger a craving for food by depleting the brain of a chemical that registers satiety, or the sense of being full. Furthermore, studies suggest that sugars, if consumed after at least 45 minutes of continuous exercise, actually enhance the body’s ability to burn fat. Consequently, those who drink aspartame-sweetened juices after exercise will also lose this calorie-burning benefit. Thus it appears that people consuming aspartame rather than sugar are unlikely to achieve their dietary goals.”

Discuss how well reasoned . . . etc.

Question: 5

The following appeared in the editorial section of a corporate newsletter:

“The common notion that workers are generally apathetic about management issues is false, or at least outdated: a recently published survey indicates that 79 percent of the nearly 1,200 workers who responded to survey questionnaires expressed a high level of interest in the topics of corporate restructuring and redesign of benefits programs.”

Discuss how well reasoned . . . etc.

Question: 6

The following appeared in the opinion column of a financial magazine:

“On average, middle-aged consumers devote 39 percent of their retail expenditure to department store products and services, while for younger consumers the average is only 25 percent. Since the number of middle-aged people will increase dramatically within the next decade, department stores can expect retail sales to increase significantly during that period. Furthermore, to take advantage of the trend, these stores should begin to replace some of those products intended to attract the younger consumer with products intended to attract the middle-aged consumer.”

Discuss how well reasoned . . . etc.

Question: 7

The following appeared in the editorial section of a local newspaper:

“This past winter, 200 students from Waymarsh State College traveled to the state capitol building to protest against proposed cuts in funding for various state college programs. The other 12,000 Waymarsh students evidently weren’t so concerned about their education: they either stayed on campus or left for winter break. Since the group who did not protest is far more numerous, it is more representative of the state’s college students than are the protesters. Therefore the state legislature need not heed the appeals of the protesting students.”

Discuss how well reasoned . . . etc.

Question: 8

The following appeared in the editorial section of a local newspaper:

“In the first four years that Montoya has served as mayor of the city of San Perdito, the population has decreased and the unemployment rate has increased. Two businesses have closed for each new business that has opened. Under Varro, who served as mayor for four years before Montoya, the unemployment rate decreased and the population increased. Clearly, the residents of San Perdito would be best served if they voted Montoya out of office and reelected Varro.”

Discuss how well reasoned . . . etc.

Question: 9

The following appeared as part of a promotional campaign to sell advertising space in the *Daily Gazette* to grocery stores in the Marston area:

“Advertising the reduced price of selected grocery items in the *Daily Gazette* will help you increase your sales. Consider the results of a study conducted last month. Thirty sale items from a store in downtown Marston were advertised in *The Gazette* for four days. Each time one or more of the 30 items was purchased, clerks asked whether the shopper had read the ad. Two-thirds of the 200 shoppers asked answered in the affirmative. Furthermore, more than half the customers who answered in the affirmative spent over \$100 at the store.”

Discuss how well reasoned . . . etc.

Question: 10

The following appeared as part of a campaign to sell advertising time on a local radio station to local businesses:

“The Cumquat Café began advertising on our local radio station this year and was delighted to see its business increase by 10 percent over last year’s totals. Their success shows you how you can use radio advertising to make your business more profitable.”

Discuss how well reasoned . . . etc.

Question: 11

The following appeared as part of a newspaper editorial:

“Two years ago Nova High School began to use interactive computer instruction in three academic subjects. The school dropout rate declined immediately, and last year’s graduates have reported some impressive achievements in college. In future budgets the school board should use a greater portion of the available funds to buy more computers, and all schools in the district should adopt interactive computer instruction throughout the curriculum.”

Discuss how well reasoned . . . etc.

Question: 12

The following appeared as a part of an advertisement for Adams, who is seeking reelection as governor:

“Reelect Adams, and you will be voting for proven leadership in improving the state’s economy. Over the past year alone, 70 percent of the state’s workers have had increases in their wages, 5,000 new jobs have been created, and six corporations have located their headquarters here. Most of the respondents in a recent poll said they believed that the economy is likely to continue to improve if Adams is reelected. Adams’s opponent, Zebulon, would lead our state in the wrong direction, because Zebulon disagrees with many of Adams’s economic policies.”

Discuss how well reasoned . . . etc.

Question: 13

The following appeared as part of an article in the education section of a Waymarsh city newspaper:

“Throughout the last two decades, those who earned graduate degrees found it very difficult to get jobs teaching their academic specialties at the college level. Those with graduate degrees from Waymarsh University had an especially hard time finding such jobs. But better times are coming in the next decade for all academic job seekers, including those from Waymarsh. Demographic trends indicate that an increasing number of people will be reaching college age over the next 10 years; consequently, we can expect that the job market will improve dramatically for people seeking college-level teaching positions in their fields.”

Discuss how well reasoned . . . etc.

Question: 14

The following appeared in an article in a consumer-products magazine:

“Two of today’s best-selling brands of full-strength prescription medication for the relief of excess stomach acid, Acid Ease and Pepticaid, are now available in milder nonprescription forms. Doctors have written 76 million more prescriptions for full-strength Acid-Ease than for full-strength Pepticaid. So people who need an effective but milder nonprescription medication for the relief of excess stomach acid should choose Acid-Ease.”

Discuss how well reasoned . . . etc.

Question: 15

The following is an excerpt from a memo written by the head of a governmental department:

“Neither stronger ethics regulations nor stronger enforcement mechanisms are necessary to ensure ethical behavior by companies doing business with this department. We already have a code of ethics that companies doing business with this department are urged to abide by, and virtually all of these companies have agreed to follow it. We also know that the code is relevant to the current business environment because it was approved within the last year, and in direct response to specific violations committed by companies with which we were then working—not in abstract anticipation of potential violations, as so many such codes are.”

Discuss how well reasoned . . . etc.

Question: 16

The following appeared as part of an article in the travel section of a newspaper:

“Over the past decade, the restaurant industry in the country of Spiessa has experienced unprecedented growth. This surge can be expected to continue in the coming years, fueled by recent social changes: personal incomes are rising, more leisure time is available, single-person households are more common, and people have a greater interest in gourmet food, as evidenced by a proliferation of publications on the subject.”

Discuss how well reasoned . . . etc.

Question: 17

The following appeared in an article in a health-and-fitness magazine:

“Laboratory studies show that Saluda Natural Spring Water contains several of the minerals necessary for good health and that it is completely free of bacteria. Residents of Saluda, the small town where the water is bottled, are hospitalized less frequently than the national average. Even though Saluda Natural Spring Water may seem expensive, drinking it instead of tap water is a wise investment in good health.”

Discuss how well reasoned . . . etc.

Question: 18

The following appeared in a memorandum from the head of a human resources department at a major automobile manufacturing company to the company's managers:

“Studies have found that employees of not-for-profit organizations and charities are often more highly motivated than employees of for-profit corporations to perform well at work when their performance is not being monitored or evaluated. Interviews with employees of not-for-profit organizations suggest that the reason for their greater motivation is the belief that their work helps to improve society. Because they believe in the importance of their work, they have personal reasons to perform well, even when no financial reward is present. Thus, if our corporation began donating a significant portion of its profits to humanitarian causes, our employees’ motivation and productivity would increase substantially and our overall profits would increase as well.”

Discuss how well reasoned . . .etc.

Question: 19

The following appeared as part of an editorial in an industry newsletter:

“While trucking companies that deliver goods pay only a portion of highway maintenance costs and no property tax on the highways they use, railways spend billions per year maintaining and upgrading their facilities. The government should lower the railroad companies’ property taxes, since sending goods by rail is clearly a more appropriate mode of ground transportation than highway shipping. For one thing, trains consume only a third of the fuel a truck would use to carry the same load, making them a more cost-effective and environmentally sound mode of transport. Furthermore, since rail lines already exist, increases in rail traffic would not require

building new lines at the expense of taxpaying citizens.”

Discuss how well reasoned . . . etc.

Question: 20

The following appeared in the editorial section of a newspaper:

“As public concern over drug abuse has increased, authorities have become more vigilant in their efforts to prevent illegal drugs from entering the country. Many drug traffickers have consequently switched from marijuana, which is bulky, or heroin, which has a market too small to justify the risk of severe punishment, to cocaine. Thus enforcement efforts have ironically resulted in an observed increase in the illegal use of cocaine.”

Discuss how well reasoned . . . etc.

Question: 21

The following appeared in a speech delivered by a member of the city council:

“Twenty years ago, only half of the students who graduated from Einstein High School went on to attend a college or university. Today, two-thirds of the students who graduate from Einstein do so. Clearly, Einstein has improved its educational effectiveness over the past two decades. This improvement has occurred despite the fact that the school’s funding, when adjusted for inflation, is about the same as it was 20 years ago. Therefore, we do not need to make any substantial increase in the school’s funding at this time.”

Discuss how well reasoned . . . etc.

Question: 22

The following appeared in a memo from the customer service division to the manager of Mammon Savings and Loan:

“We believe that improved customer service is the best way for us to differentiate ourselves from competitors and attract new customers. We can offer our customers better service by reducing waiting time in teller lines from an average of six minutes to an average of three. By opening for business at 8:30 instead of 9:00, and by remaining open for an additional hour beyond our current closing time, we will be better able to accommodate the busy schedules of our customers. These changes will enhance our bank’s image as the most customer-friendly bank in town and give us the edge over our competition.”

Discuss how well reasoned . . . etc.

Question: 23

The following appeared as part of an article in a magazine on lifestyles:

“Two years ago, City L was listed 14th in an annual survey that ranks cities according to the quality of life that can be enjoyed by those living in them. This information will enable people who are moving to the state in which City L is located to confidently identify one place, at least, where schools are good, housing is affordable, people are friendly, the environment is safe, and the arts flourish.”

Discuss how well reasoned . . . etc.

Question: 24

The following appeared in a memorandum from a member of a financial management and consulting firm:

“We have learned from an employee of Windfall, Ltd., that its accounting department, by checking about 10 percent of the last month’s purchasing invoices for errors and inconsistencies, saved the company some \$10,000 in overpayments. In order to help our clients increase their net gains, we should advise each of them to institute a policy of checking all purchasing invoices for errors. Such a recommendation could also help us get the Windfall account by demonstrating to Windfall the rigorousness of our methods.”

Discuss how well reasoned . . . etc.

Question: 25

The following appeared in a newspaper editorial:

“As violence in movies increases, so do crime rates in our cities. To combat this problem we must establish a board to censor certain movies, or we must limit admission to persons over 21 years of age. Apparently our legislators are not concerned about this issue since a bill calling for such actions recently failed to receive a majority vote.”

Discuss how well reasoned . . . etc.