

GMAT AWA Practice Test 9

Question 1

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

“During a recent trial period in which government inspections at selected meat-processing plants were more frequent, the number of bacteria in samples of processed chicken decreased by 50 percent on average from the previous year’s level. If the government were to institute more frequent inspections, the incidence of stomach and intestinal infections throughout the country could thus be cut in half. In the meantime, consumers of Excel Meats should be safe from infection because Excel’s main processing plant has shown more improvement in eliminating bacterial contamination than any other plant cited in the government report.”

Discuss how well reasoned . . . etc.

Question 2

The following appeared as part of an annual report sent to stockholders by Olympic Foods, a processor of frozen foods:

“Over time, the costs of processing go down because as organizations learn how to do things better, they become more efficient. In color film processing, for example, the cost of a 3-by-5-inch print fell from 50 cents for five-day service in 1970 to 20 cents for a one-day service in 1984. The same principle applies to the processing of food. And since Olympic Foods will soon celebrate its 25th birthday, we can expect that our long experience will enable us to minimize costs and thus maximize profits.”

Question 3

The following appeared in a research paper written for an introductory economics course:

“For the past century, an increase in the number of residential building permits issued per month in a particular region has been a reliable indicator of coming improvements to that region’s economy. If the monthly number of residential building permits issued rises consistently for a few months, the local unemployment rate almost always falls and economic production increases. This well-established connection reveals an effective method by which a regional government can end a local economic downturn: relax regulations governing all construction so that many more building permits can be issued.”

Discuss how well reasoned . . . etc.

Question 4

The following appeared in a memorandum to the work-group supervisors of the GBS Company:

“The CoffeeCart beverage and foodservice located in the lobby of our main office building is not earning enough in sales to cover its costs, and so the cart may discontinue operating at GBS. Given the low staff morale, as evidenced by the increase in the number of employees leaving

the company, the loss of this service could present a problem, especially since the staff morale questionnaire showed widespread dissatisfaction with the snack machines.

Therefore, supervisors should remind the employees in their group to patronize the cart—after all, it was leased for their convenience so that they would not have to walk over to the cafeteria on breaks.”

Discuss how well reasoned . . . etc.

Question 5

The following appeared in a memorandum written by the chair of the music department to the president of Omega University:

“Mental health experts have observed that symptoms of mental illness are less pronounced in many patients after group music-therapy sessions, and job openings in the music-therapy field have increased during the past year. Consequently, graduates from our degree program for music therapists should have no trouble finding good positions. To help improve the financial status of Omega University, we should, therefore, expand our music-therapy degree program by increasing its enrollment targets.”

Discuss how well reasoned . . . etc.

Question 6

The following appeared in a memorandum from the vice president of Gigantis, a development company that builds and leases retail store facilities:

“Nationwide over the past five years, sales have increased significantly at outlet stores that deal exclusively in reduced-price merchandise. Therefore, we should publicize the new mall that we are building at Pleasantville as a central location for outlet shopping and rent storage space only to outlet companies. By taking advantage of the success of outlet stores, this plan should help ensure full occupancy of the mall and enable us to recover quickly the costs of building the mall.”

Discuss how well reasoned . . . etc.

Question 7

The following appeared in a memorandum from the business planning department of Avia Airlines:

“Of all the cities in their region, Beaumont and Fletcher are showing the fastest growth in the number of new businesses. Therefore, Avia should establish a commuter route between them as a means of countering recent losses on its main passenger routes. And to make the commuter route more profitable from the outset, Avia should offer a 1/3 discount on tickets

purchased within two days of the flight. Unlike tickets bought earlier, discount tickets will be nonrefundable, and so gain from their sale will be greater.”

Discuss how well reasoned . . . etc.

Question 8

The following appeared in a speech by a stockholder of Consolidated Industries at the company’s annual stockholders’ meeting:

“In the computer hardware division last year, profits fell significantly below projections, the product line decreased from 20 to only 5 items, and expenditures for employee benefits increased by 15 percent. Nevertheless, Consolidated’s board of directors has approved an annual salary of more than \$1 million for our company’s chief executive officer. The present board members should be replaced because they are unconcerned about the increasing costs of employee benefits and salaries, in spite of the company’s problems generating income.”

Discuss how well reasoned . . . etc.

Question 9

The following appeared as part of a business plan by the Capital Idea investment firm:

“In recent years the worldwide demand for fish has grown, and improvements in fishing technology have made larger catches and thus increased supply possible: for example, last year’s tuna catch was 9 percent greater than the previous year’s. To capitalize on these trends, we should, therefore, invest in the new starfish processing plant on Tartfish Island, where increasing revenues from tourism indicate a strong local economy.”

Discuss how well reasoned . . . etc.

Question 10

The following appeared as part of an article in a weekly newsmagazine:

“The country of Oleum can best solve the problem of its balance of trade deficit by further increasing the tax on its major import, crude oil. After Oleum increased the tax on imported crude oil four months ago, consumption of gasoline declined by 20 percent. Therefore, by imposing a second and significantly higher tax increase next year, Oleum will dramatically decrease its balance of trade deficit.”

Discuss how well reasoned . . . etc.