

## GMAT AWA Sample 16

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.