



**BCG RECRUITING TEST  
MARKING SHEET – C**

**Full name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Section	Question	Answer
1	1	
	2	
	3	
	4	
	5	
	6	
2	1	
	2	
	3	
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	5	
3	1	
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5	1	
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6	1	
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Section	Question	Answer
7	1	
	2	
	3	
	4	
	5	
	6	
	7	
	8	
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	11	
	12	
8	1	
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	3	
9	1	
	2	
	3	
	4	
10	1	
	2	

## *INSTRUCTIONS*

**PLEASE READ THIS PAGE CAREFULLY BEFORE THE TEST BEGINS**

### **1) Time and length**

This test is 50 minutes long and consists of 53 questions of varying length.

### **2) Advice**

Don't worry if you cannot complete every question; many people don't. Just answer as many questions as you can in the time provided.

### **3) Scoring**

For sections 1, 2, 5, 6, you will receive 2 points for every correct answer. For all other questions, you will receive 1 point.

**For sections 1, 3-5 and 7-10**, if you answer a question incorrectly, you will not lose a point – there is no negative marking.

**For sections 2 and 6**, you will lose 0.5 points for each incorrect answer.

### **4) Rules**

Please mark your answers on the answer sheet provided.

Do not make **any mark** in the question book.

Extra paper for calculations is provided, but needs to be handed in together with the test. No other paper is allowed.

No calculators, mobile phones, or any other devices are allowed.

It is suggested you do the questions in the order in which they are given, though you should avoid spending too much time on any one question.

## SECTION 1

(2 points for each correct answer)

Choose the single correct answer to the questions below based only on the information / opinions given in the passage:

### Passage

An important feature of the labor market in recent years has been the increasing participation of women, particularly married women. Many analysts suggest, however, that women comprise a secondary labor market where rates of pay and promotion prospects are inferior to those available to men. The principal reason is that women have, or are assumed to have, domestic responsibilities that compete with paid employment. Such domestic responsibilities are strongly influenced by social values, which require women to give priority to home and family over paid employment.

The difficulties that women face in the labor market and in their ability to reach senior positions in organizations are accentuated with the arrival of children. In order to become full-time employees, women with children must overcome the problems of finding good, affordable child care and the psychological barriers of workplace marginality. Some women balance domestic and workplace commitments by working part-time. However, part-time work is a precarious form of employment. Women part-timers are often the first laid off in a difficult economy. These workers are often referred to as the «reserve army» of female labor.

One researcher has found that approximately 80 percent of women in their twenties who have children remain at home. Such women who later return to work represent another sector of the workforce facing difficulties. When the typical houseworker returns to the labor market, she is unsure of herself in her new environment. This doubt is accentuated by her recent immersion in housework, a very private form of work. Without recent employment experience, these women confront a restricted range of opportunities and will almost certainly be offered low-status jobs with poor prospects.

Even women professionals who interrupt their careers to have children experience difficulties. Their technical skills may become rusty or obsolete, important networks of business contacts are broken, and their delayed return to work may mean that they are likely to come up for promotion well after the age that would be otherwise normal. Consequently, women, even those of high ability, may find themselves blocked in the lower echelons of an organization, overlooked, or even «invisible» to senior.

1. The author of the passage is primarily with
- A. advocating changes in employers' practices toward women with children.
  - B. examining some of the reasons women rarely reach the higher echelons of paid labor.
  - C. describing the psychological consequences for women of working outside the home.
  - D. taking issue with those who believe women should not work outside the home.
  - E. analyzing the contribution of women to industry and business.

2. The passage provides information to support which of the following statements about women workers

A. It is the responsibility of employers to provide child care accommodations for women workers with children.

B. Women in high-status positions are easily able to integrate career and children.

C. Conditions for working mothers are much better today than they were 20 years ago.

D. The decision to work outside the home is often the source of considerable anxiety for women with children.

E. With the expense of child care, it is often not profitable for women with children to work.

3. The author's discussion of women professionals in the last paragraph serves to

A. Show that the difficulties of integrating careers and motherhood can be overcome.

B. Indicate that even women of higher status are not exempt from the difficulties of integrating careers and children.

C. Defend changes in the policies of employers toward working mothers.

D. Modify a hypothesis regarding the increased labor force participation of women.

E. Point out the lack of opportunities for women in the business.

4. According to the passage, men generally receive higher salaries and have a better chance of being promoted because women

A. Tend to work in industries that rely almost exclusively on part-time labor.

B. Lack the technical and managerial experience of their male counterparts.

C. have responsibilities outside of the workplace that demand considerable attention.

D. Are the first to be laid off when the economy grows at a very slow pace.

E. suffer discrimination in the male-dominated corporate environment.



## SECTION 2

(2 points per correct answer, negative 0,5 points for each incorrect answer)

1. Ann, Carol, and Judy paid a total of \$45 for their dinner at a restaurant. If Ann paid  $\frac{2}{5}$  of the total amount, Carol paid \$17, and Judy paid the rest, what fraction of the total amount did Judy pay?

- A.  $\frac{2}{9}$
- B.  $\frac{14}{45}$
- C.  $\frac{1}{3}$
- D.  $\frac{2}{5}$
- E.  $\frac{7}{15}$

2. To meet a government requirement, a bottler must test 5 percent of its spring water and 10 percent of its sparkling water for purity. If a customer ordered 120 cases of spring water and 80 cases of sparkling water, what percent of all the cases must the bottler test before it can send the water out?

- A. 6.5 %
- B. 7.0 %
- C. 7.5 %
- D. 8.0 %
- E. 8.5 %

3. Ann and Bob drive separately to a meeting. Ann's average driving speed is greater than Bob's average driving speed by one-third of Bob's average driving speed, and Ann drives twice as many miles as Bob. What is the ratio of the number of hours Ann spends driving to the meeting to the number of hours Bob spends driving to the meeting?

- A. 8:3
- B. 3:2
- C. 4:3
- D. 2:3
- E. 3:8



4. Molly purchased Brand A binders at \$8.00 apiece and Brand B binders at \$5.60 apiece. If she bought a total of 12 binders for \$84.00, how many Brand A binders did she buy?

- A. 2
- B. 5
- C. 6
- D. 7
- E. 10

5. The population of City A is three times the population of City B. Together, Cities A and B have twice the population of City C. What is the ratio of the population of City C to the population of City B?

- A. 1:4
- B. 1:2
- C. 2:1
- D. 3:1
- E. 4:1

## SECTION 3

*Questions 1-2 are based on the following:*

Partly because of bad weather, but also partly because some major pepper growers have switched to high-priced cocoa, world production of pepper has been running well below worldwide sales for three years. Pepper is consequently in relatively short supply. The price of pepper has soared in response: it now equals that of cocoa.

1. Which of the following can be inferred from the passage?

- A. Pepper is a profitable crop only if it is grown on a large scale.
- B. World consumption of pepper has been unusually high for three years.
- C. World production of pepper will return to previous levels once normal weather returns.
- D. Surplus stocks of pepper have been reduced in the past three years.
- E. The profits that the growers of pepper have made in the past three years have been unprecedented.

2. Some observers have concluded that the rise in the price of pepper means that the switch by some growers from pepper to cocoa left those growers no better off than if none of them had switched; this conclusion, however, is unwarranted because it can be inferred to be likely that

- A. those growers could not have foreseen how high the price of pepper would go
- B. the initial cost involved in switching from pepper to cocoa is substantial
- C. supplies of pepper would not be as low as they are if those growers had not switched crops
- D. cocoa crops are as susceptible to being reduced by bad weather as are pepper crops
- E. as more growers turn to growing cocoa, cocoa supplies will increase and the price of cocoa will fall precipitously.

3. Federal agricultural programs aimed at benefiting one group whose livelihood depends on farming often end up harming another such group.

Which of the following statements provides support for the claim above?

I . An effort to help feed-grain producers resulted in higher prices for their crops, but the higher prices decreased the profits of livestock producers.

II . In order to reduce crop surpluses and increase prices, growers of certain crops were paid to leave a portion of their land idle, but the reduction was not achieved because improvements in efficiency resulted in higher production on the land in use.

III . Many farm workers were put out of work when a program meant to raise the price of grain provided grain growers with an incentive to reduce production by giving them surplus grain from government reserves.

- A. I , but not II and not III
- B. II , but not I and not III
- C. I and III, but not II
- D. II and III, but not I
- E. I , II and III

4. Technological education is worsening. People between eighteen and twenty-four, who are just emerging from their formal education, are more likely to be technologically illiterate than somewhat older adults. And yet, issues for public referenda will increasingly involve aspects of technology.

Which of the following conclusions can be properly drawn from the statements above?

- A. If all young people are to make informed decisions on public referenda, many of them must learn more about technology.
- B. Thorough studies of technological issues and innovations should be made a required part of the public and private school curriculum.
- C. It should be suggested that prospective voters attend applied science courses in order to acquire a minimal competency in technical matters.
- D. If young people are not to be overly influenced by famous technocrats, they must increase their knowledge of pure science.
- E. On public referenda issues, young people tend to confuse real or probable technologies with impossible ideals.



Questions 5–6 are based on the following.

In the past, teachers, bank tellers, and secretaries were predominantly men; these occupations slipped in pay and status when they became largely occupied by women. Therefore, if women become the majority in currently male-dominated professions like accounting, law, and medicine, the income and prestige of these professions will also drop.

5. The argument above is based on

- A. another argument that contains circular reasoning
- B. an attempt to refute a generalization by means of an exceptional case
- C. an analogy between the past and the future
- D. an appeal to popular beliefs and values
- E. an attack on the character of the opposition.

6. Which of the following, if true, would most likely be part of the evidence used to refute the conclusion above?

- A. Accountants, lawyers, and physicians attained their current relatively high levels of income and prestige at about the same time that the pay and status of teachers, bank tellers, and secretaries slipped.
- B. When large numbers of men join a female-dominated occupation, such as airline flight attendant, the status and pay of the occupation tend to increase.
- C. The demand for teachers and secretaries has increased significantly in recent years, while the demand for bank tellers has remained relatively stable.
- D. If present trends in the awarding of law degrees to women continue, it will be at least two decades before the majority of lawyers are women.
- E. The pay and status of female accountants, lawyers, and physicians today are governed by significantly different economic and sociological forces than were the pay and status of female teachers, bank tellers, and secretaries in the past.

7. An electric-power company gained greater profits and provided electricity to consumers at lower rates per unit of electricity by building larger-capacity more efficient plants and by stimulating greater use of electricity within its area. To continue these financial trends, the company planned to replace an old plant by a plant with triple the capacity of its largest plant.

The company's plan as described above assumed each of the following EXCEPT:

- A. Demand for electricity within the company's area of service would increase in the future.
- B. Expenses would not rise beyond the level that could be compensated for by efficiency or volume of operation, or both.
- C. The planned plant would be sufficiently reliable in service to contribute a net financial benefit to the company as a whole.
- D. Safety measures to be instituted for the new plant would be the same as those for the plant it would replace.
- E. The tripling of capacity would not result in insuperable technological obstacles to efficiency.

## SECTION 4

Choose the single correct answer using only the information provided:

1. A team won 50 percent of its first 60 games in a particular season, and 80 percent of its remaining games. If the team won a total of 60 percent of its games that season, what was the total number of games that the team played?
  - A. 180
  - B. 120
  - C. 90
  - D. 85
  - E. 30
  
2. If a bicyclist in motion increases his speed by 30 percent and then increases this speed by 10 percent, what percent of the original speed is the total increase in speed?
  - A. 10%
  - B. 40%
  - C. 43%
  - D. 64%
  - E. 140%
  
3. John spent 40 percent of his earnings last month on rent and 30 percent less than what he spent on rent to purchase a new dishwasher. What percent of last month's earnings did John have left over?
  - A. 30%
  - B. 32%
  - C. 45%
  - D. 68%
  - E. 70%

4.

Toys	Cost of Manufacture	Profit per Toy
A	\$2.5796	\$2.4431
B	\$2.5768	\$2.4312

According to the chart above, how many of each toy would have to be manufactured so that the total price of toy A exceeds the total price of toy B by \$147.00?

- A. 100
- B. 1000
- C. 10000
- D. 100000
- E. 1000000

5. In 1995, the Johnsons spent \$800 on the family's water bills. Anticipating that water rates would increase in 1996 by 50%, the Johnsons cut back their water usage. By how much must the Johnsons have reduced their 1996 water usage to pay exactly the same amount in 1996 as they paid in 1995?

- A.  $33\frac{1}{3}\%$
- B. 40%
- C. 50%
- D.  $66\frac{2}{3}\%$
- E. 100%

## SECTION 5

(2 points for each correct answer)

Choose the single correct answer to the questions below based only on the information/opinions given the passage:

Prior to the nineteenth century, both human and animal populations were limited by the finite resources (such as food) to which they had access. When the enormous increases in prosperity ushered in by the Industrial Revolution essentially freed many Western nations from these constraints, scientists of the time expected a Malthusian explosion in population. However, an inverse relationship between prosperity and reproduction was soon noted; the average size of families fell. The trend continues to this day and has spread to recently industrialized portions of the world.

Early biologists tried to explain the transition to smaller families by drawing comparisons to the animal world. Animals that have many young tend to live in hostile, unpredictable environments. Since the odds against any given offspring's survival are high, having many offspring increases the chance that at least one or two of them will survive. In contrast, animals that have fewer children but invest more resources in childrearing tend to live in stable, less hostile environments.

While the young of these "high-investment" species enjoy the benefits of a relatively safe environment, they need to compete with animals whose young are equally unlikely to perish early in life. Therefore, the biologists observed, progeny that have acquired the skills they need to compete while sheltered by a family have an advantage over their less prepared competitors. By analogy, if people living in a prosperous environment produced only a few, pampered children, those children would out-compete the progeny of parents who had stretched their resources too widely.

Critics of this theory argue that there are limitations in conflating animal and human behavior. They argue instead that changes in social attitudes are adequate to explain this phenomenon. To a family in a society that is tied to the land, a large number of children is a great boon. They increase family income by being put to work early, and usually some can be persuaded to care for their parents into old age. As a society becomes richer, and as physical labor becomes less important, education may extend into the early twenties, making children economically unattractive as they now consume family assets rather than produce them.

Meanwhile, plans such as pensions and Social Security mitigate the need for children to care for their parents into their dotage.

1. The primary purpose of the passage is to:
  - A. criticize explanations of human behavior that are based solely on observations taken from the animal world.
  - B. show why the expected population explosion following the Industrial Revolution did not occur before the Industrial Revolution.
  - C. demonstrate how family size was influenced by both environmental restraints and social attitudes before and after the Industrial Revolution.
  - D. present two alternative theories that explain why family size tends to shrink with increased prosperity.
  - E. argue that studies based on social attitudes are more effective than models based on evolutionary advantages in accounting for demographic patterns.
  
2. According to the passage, which of the following is true of a Malthusian explosion in population?
  - A. Its occurrence has been limited to those areas of the globe that have remained preindustrial.
  - B. It is inevitable in societies making the transition from an economy based on agriculture to one based on industry.
  - C. It was predicted by at least some who lived through the Industrial Revolution in the West.
  - D. Social scientists have only recently reached consensus on the question of why it fails to occur in recently industrialized countries.
  - E. It was avoided in Western society because the wealth created by industrialization allowed families to support children through extended periods of education.
  
3. The last paragraph performs which of the following functions in the passage?
  - A. It presents an alternate explanation for the phenomenon described in the first paragraph.
  - B. It criticizes the explanation presented in the second paragraph.
  - C. It describes how social attitudes change as societies become richer.
  - D. It explains a phenomenon presented in the second paragraph.
  - E. It argues that changing social attitudes are sufficient to explain the phenomenon described in the first paragraph.

4. The passage mentions each of the following as a possible reason average family size might fall in recently industrialized nations EXCEPT:
  - A. Extended periods of education that make children a drain on family resources
  - B. Well-fed, advantaged children who out-compete those in less advantaged families
  - C. Improved social care of the elderly
  - D. Changed social attitudes
  - E. Increased demand for physical laborers in recently industrialized economies
  
5. The information in the passage suggests that which of the following animals would be most likely to have many young?
  - A. A plant eater that lives in drought-susceptible grassland and is fiercely protective of its offspring
  - B. An omnivore whose population is restricted to several small islands that are threatened by human encroachment
  - C. A meat eater that has no natural predators but must migrate long distances to maintain its supply of food
  - D. A scavenger that competes with few other species for territory and food
  - E. A filter feeder that is prey for many creatures in the seasonal streams and lakes where it lives
  
6. The author mentions a decrease in the importance of physical labor in order to
  - A. Give an example of the factors that may lead to changes in social attitudes toward family size
  - B. Demonstrate why those who anticipated a Malthusian explosion in population in industrialized Europe were incorrect
  - C. Show how family structures adjust to meet the demands of a changing economy
  - D. Rebut the claims of those who argue that there are limitations in conflating human and animal behavior
  - E. Illustrate how larger families can increase family income

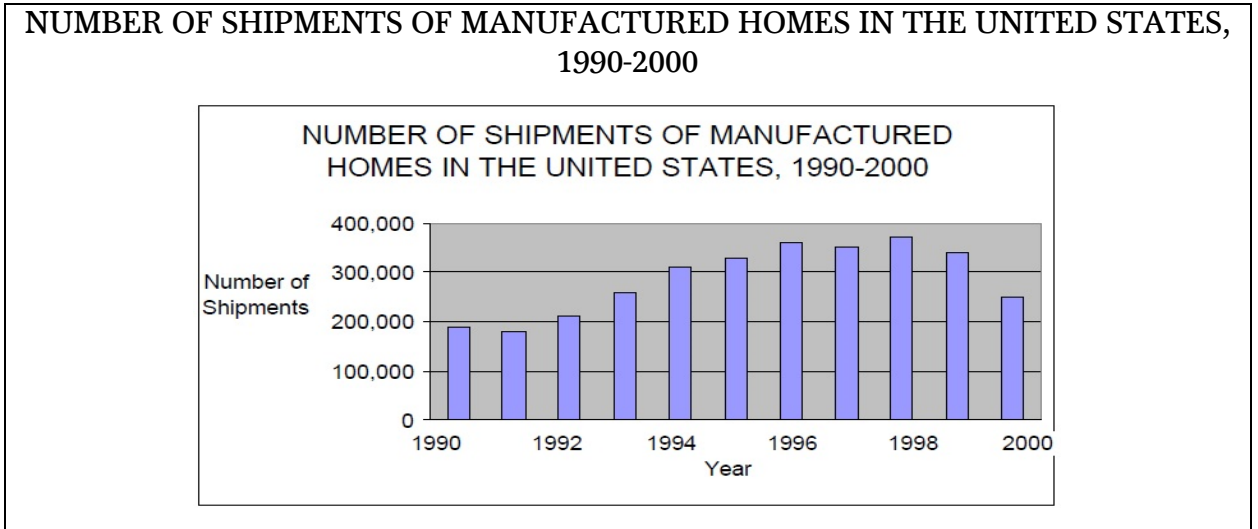


**SECTION 6**

(2 points per correct answer, negative 0.5 points for each incorrect answer)

1. Four staff members at a certain company worked on a project. The amounts of time that the four staff members worked on the project were in the ratio 2 to 3 to 5 to 6. If one of the four staff members worked on the project for 30 hours, which of the following CANNOT be the total number of hours that the four staff members worked in the project?
  - A. 80
  - B. 96
  - C. 160
  - D. 192
  - E. 240
  
2. A baseball card collection has 1,100 cards that are in mint condition and 400 cards that are not. Of those cards in mint condition, 60 percent are rookie cards. If 740 of the cards in his collection are not rookie cards, then how many cards in the collection are rookie cards that are not in mint condition?
  - A. 100
  - B. 300
  - C. 440
  - D. 760
  - E. 1,500
  
3. A local farmer grows wheat on land he rents for a fixed cost of \$200,000 per year. The variable cost of growing one bushel of wheat is \$10. In a certain year, the farmer grows and sells 50,000 bushels of wheat and makes a profit of \$150,000, after paying the fixed cost to rent the land. If every bushel sold for the same price, what was the selling price, in dollars, of a bushel of wheat?
  - A. 3
  - B. 7
  - C. 11
  - D. 13
  - E. 17

4.



According to the chart shown, which of the following is the closest to the median annual number of shipments of manufactured homes in the United States for the years from 1990 to 2000, inclusive?

- A. 250,000
- B. 280,000
- C. 310,000
- D. 325,000
- E. 340,000

5. Working simultaneously and independently at an identical constant rate, 4 machines of a certain type can produce a total of  $x$  units of product  $P$  in 6 days. How many of these machines, working simultaneously and independently at this constant rate, can produce a total of  $3x$  units of product  $P$  in 4 days?

- A. 24
- B. 18
- C. 16
- D. 12
- E. 8



## SECTION 7

Each question makes a statement relating to a passage. Decide whether the statement is necessarily true, false, or if you cannot tell either way. You can only base your decision on the information contained in the passage, which you are expected to accept as completely true.

1. When Leo imported a certain item, he made a 7 percent import tax on the portion of the total value of the item in excess of \$1,000. If the amount of the import tax that Leo paid was \$87.50, what was the total value of the item?

- A. \$1,600
- B. \$1,850
- C. \$2,250
- D. \$2,400
- E. \$2,750

2. For a convention, a hotel charges a daily room rate of \$120 for 1 person and  $x$  dollars for each additional person. What is the charge for each additional person?

- (1) The daily cost per person for 4 people sharing the cost of a room equally is \$45.
- (2) The daily cost per person for 2 people sharing the cost of a room equally is \$25 more than the corresponding cost for 4 people.

- A. Statement (1) **ALONE** is sufficient, but statement (2) alone is not sufficient.
- B. Statement (2) **ALONE** is sufficient, but statement (1) alone is not sufficient.
- C. **BOTH** statements **TOGETHER** are sufficient, but **NEITHER** statement **ALONE** is sufficient.
- D. **EACH** statement **ALONE** is sufficient.
- E. Statements (1) and (2) **TOGETHER** are **NOT** sufficient.

3. A certain company's profit in 1996 was 15 percent greater than its profit in 1995, and its profit in 1997 was 20 percent greater than its profit in 1996. The company's profit in 1997 was what percent greater than its profit in 1995?

- A. 5%
- B. 18%
- C. 33%
- D. 35%
- E. 38%

4. If every car sold last week at a certain used-car dealership was either a coupe or a sedan, what was the average (arithmetic mean) sale price for all the cars that were sold at the dealership last week?

(1) The average sale price for the sedans that were sold at the dealership last week was \$10,600.

(2) The average sale price for the coupes that were sold at the dealership last week was \$8,400.

A. Statement (1) **ALONE** is sufficient, but statement (2) alone is not sufficient.

B. Statement (2) **ALONE** is sufficient, but statement (1) alone is not sufficient.

C. **BOTH** statements **TOGETHER** are sufficient, but **NEITHER** statement **ALONE** is sufficient.

D. **EACH** statement **ALONE** is sufficient.

E. Statements (1) and (2) **TOGETHER** are **NOT** sufficient.

5. Pat, Kate, and Mark charged a total of 162 hours to a certain project. If Pat charged twice as much time to the project as Kate and  $\frac{1}{3}$  as much time as Mark, how many more hours did Mark charge to the project than Kate?

A. 18

B. 36

C. 72

D. 90

E. 108

6. Company *K* has an annual budget for a certain project, and  $\frac{1}{5}$  of this budget was spent during the first quarter of the year. If  $\frac{1}{8}$  of the remainder of the budget was spent during the second quarter, what fraction of the budget was left at the end of the second quarter?

A.  $\frac{7}{10}$

B.  $\frac{31}{40}$

C.  $\frac{27}{40}$

D.  $\frac{3}{10}$

E.  $\frac{9}{40}$

7. A salesperson received a 6-percent commission on the amount of total sales up to and including \$10,000, and an  $r$ -percent commission on the amount of total sales over \$10,000. If the salesperson received a total commission of \$920 on total sales of \$14,000, what was the value of  $r$ ?

- A. 3.2
- B. 4.3
- C. 6.6
- D. 8.0
- E. 9.2

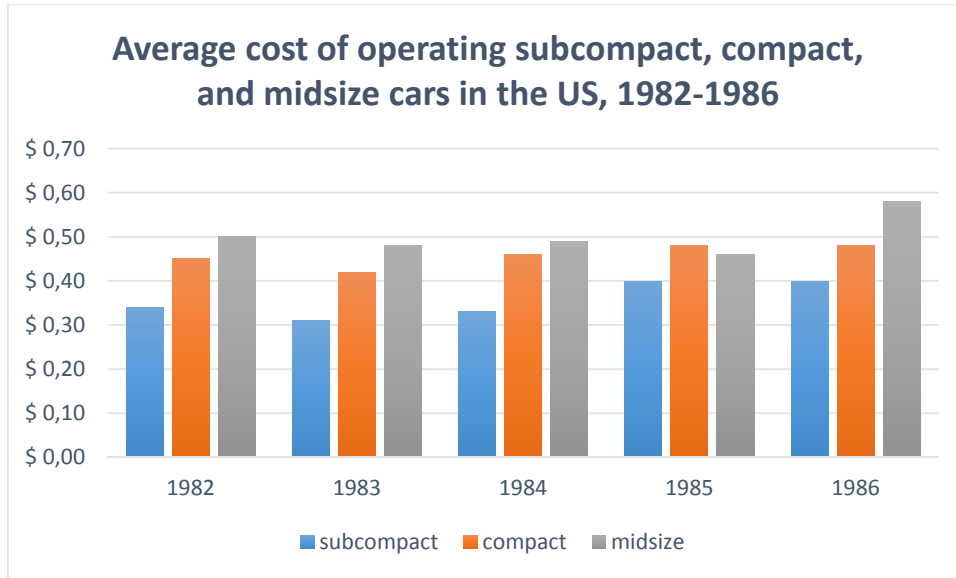
8. A grocer has 400 pounds of coffee in stock, 20 percent of which is decaffeinated. If the grocer buys another 100 pounds of coffee of which 60 percent is decaffeinated, what percent, by weight, of the grocer's stock of coffee is decaffeinated?

- A. 28%
- B. 30%
- C. 32%
- D. 34%
- E. 40%

Questions 9-10 refer to the following graph:

## AVERAGE COST OF OPERATING SUBCOMPACT, COMPACT, AND MIDSIZE CARS IN THE UNITED STATES, 1982-1986

Cost per mile for cars bought new in the indicated year and driven 10,000 miles annually



9. In 1982 the approximate average cost of operating a subcompact car for 10,000 miles was

- A. \$360
- B. \$3,400
- C. \$4,100
- D. \$4,500
- E. \$4,900

10. In 1984 the average cost of operating a subcompact car was approximately what percent less than the average cost of operating a midsize car?

- A. 12%
- B. 20%
- C. 25%
- D. 33%
- E. 48%

11.

## U.S. Population, 1950-1975

(in millions)

Year	1950	1955	1960	1965	1970	1975
Population	152	166	181	196	205	213

During which of 5-year period did the United States have the lowest percent increase in population?

- A. 1950-55
- B. 1955-60
- C. 1960-65
- D. 1965-70
- E. 1970-75

12. If the population had continued to grow uniformly at the same rate that it grew from 1970 to 1975, what would have been the population in millions in 1980?

- A. 215
- B. 218
- C. 221
- D. 224
- E. 227



## SECTION 8

Identify the single correct answer:

Questions

(1 point per correct answer)

1. To avoid the appearance of conflicts of interest, the board of major U.S. stock exchange is considering a new policy that would ban former top executives of the exchange from taking positions at publicly traded companies for a period of two years after leaving the stock exchange. Critics of the plan say the policy is unfair because it would likely prevent former top executives of the exchange from earning a decent living.

Which of the following statements, if true, would most strengthen the prediction made by the critics of the proposed company policy?

- A. The labor union that represents most of the stock exchange's employees has made public statements that threaten a strike if the policy is adopted.
  - B. Former employees of the exchange most often work for publicly traded companies after leaving the exchange.
  - C. Low-level managers at the exchange have an average tenure of 13 years one of the longest in the industry.
  - D. Low-level managers at the exchange most often have their jobs for positions with the state or federal government.
  - E. Former top executives of the exchange have a particular set of skills such that they are usually only able to find work with publicly traded companies.
- 
2. The percentage of local businesses with more than 10 employees is higher in Grandview City than in any other city in the state. However, the percentage of local businesses with 15 employees or more is higher in Lakeshore City, which is in the same state, than in any other city in the state.

If the statements above are true, then which of the following must also be true?

- A. The percentage of local businesses with more than 18 employees is higher in Lakeshore City than in any other city in the state.
- B. The state has more local businesses with more than 10 employees than any other state in the country.
- C. The number of local businesses with more than 10 employees than any other state in the country.
- D. Some local businesses in Grandview City have 11 to 14 employees.
- E. The average number of employees per business is higher in Lakeshore City than in Grandview City.

3. The Ministry of Tourism in country X began an expensive television advertising campaign in country Y two years ago. Since that time, the number of visitors to country X from country Y has increased by more than 8 percent. Clearly, the Ministry of Tourism's campaign is responsible for the increase.

Which of the following, if true, would most weaken the argument above?

- A. The advertisements sponsored by the Ministry of Tourism in country X were panned by the country Y media for lack of imagination.
- B. A devaluation of the currency in country X two years ago made travel there more affordable for residents of country Y.
- C. Increasing political turmoil in country X will lead to a decrease in visitors from country Y next year.
- D. The number of visitors from country Y to country Z increased by more than 8 percent over the past two years.
- E. Over the past two years, the advertisement campaign launched by the Ministry of Tourism in country X cost more money than residents of country Y spent traveling in country X.

## SECTION 9

Answer the questions using the information provided:

1.

### MONTHLY KILOWATT-HOURS

	500	1,000	1,500	2,000
Present	\$24.00	\$41.00	\$57.00	\$73.00
Proposed	\$26.00	\$45.00	\$62.00	\$79.00

The table above shows present rates and proposed rates for electricity for residential customers. For which of the monthly kilowatt-hours shown would the proposed rate be the greatest percent increase over the present rate?

- A. 500
- B. 1,000
- C. 1,500
- D. 2,000
- E. Each of the percent increases is the same.

2. On July 1, 1982, Ms. Fox deposited \$10,000 in a new account at the annual interest rate of 12 percent compounded monthly. If no additional deposits or withdrawals were made and if interest was credited on the last day of each month, what was the amount of money in the account on September 1, 1982?

- (A) \$10,200
- (B) \$10,201
- (C) \$11,100
- (D) \$12,100
- (E) \$12,544

3. A corporation with 5,000,000 shares of publicly listed stock reported total earnings of \$7.20 per share for the first 9 months of operation. During the final quarter the number of publicly listed shares was increased to 10,000,000 shares, and fourth quarter earnings were reported as \$1.25 per share. What are the average annual earnings per share based on the number of shares at the end of the year?

- (A) \$1.83
- (B) \$2.43
- (C) \$4.85
- (D) \$8.45
- (E) \$9.70





4. A small business invests \$9,900 in equipment to produce a product. Each unit of the product costs \$0.65 to produce and is sold for \$1.20. How many units of the product must be sold before the revenue received equals the total expense of production, including the initial investment in equipment?
- A. 12,000
  - B. 14,500
  - C. 15,230
  - D. 18,000
  - E. 20,000



## SECTION 10

Identify the single correct answer:

1. Insurance Company X is considering issuing a new policy to cover services required by elderly people who suffer from diseases that afflict the elderly. Premiums for the policy must be low enough to attract customers. Therefore, Company X is concerned that the income from the policies would not be sufficient to pay for the claims that would be made.

Which of the following strategies would be most likely to minimize Company X's losses on the policies?

- A. Attracting middle-aged customers unlikely to submit claims for benefits for many years
- B. Insuring only those individuals who did not suffer any serious diseases as children
- C. Including a greater number of services in the policy than are included in other policies of lower cost
- D. Insuring only those individuals who were rejected by other companies for similar policies
- E. Insuring only those individuals who are wealthy enough to pay for the medical services

2. In order to raise revenue, the federal government planned a tax amnesty program that allows tax delinquents to pay all owed tax without added financial penalty. However, economists projected that the federal government would collect a far lower percentage of total tax owed by delinquents than did state governments implementing similar programs.

Which of the following, if true, would most contribute to an explanation of the economists' projections?

- A. Tax amnesty programs are only successful if they are widely publicized.
- B. Most people who honestly pay their state tax are equally honest in paying their federal tax.
- C. Although federal tax delinquents usually must pay high financial penalties, the states require far lower financial penalties.
- D. The state tax rate varies considerably from state to state, but the federal tax is levied according to laws which apply to citizens of all the states.
- E. Unlike most federal tax delinquents, most state tax delinquents fail to pay state tax because of an oversight rather than a decision not to pay.